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HOUSING ELEMENT
2002–2007

Housing Element Prepared with Funding Assistance From The U.S. Dept. of Housing & Urban Development Block Grant Program Administered by the Calif. Dept. of Housing & Community Development.

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CITY OF SAND CITY

HOUSING ELEMENT: 2002-2007

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CITY OF SAND CITY
HOUSING ELEMENT
2002-2007

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EXECUTIVE SUMMARY

1. **SAND CITY'S POPULATION IS EXPECTED TO INCREASE SIGNIFICANTLY IN THE NEXT 10-15 YEARS (PAGE 5).**
   In 2002, the City's population was 267 persons. However, projections by AMBAG (Association of Monterey Bay Area Governments) and the City's General Plan estimate that the population of the City will increase to over 1,000 persons at build-out.

2. **SAND CITY HAS APPROXIMATELY 20 JOBS FOR EVERY HOUSING UNIT IN THE CITY (PAGE 7).**
   The 20:1 jobs/housing ratio will change over time as the city increases its housing stock to become a more balanced community. This jobs-housing ratio is the result of years of service commercial and heavy, commercial development being directed into Sand City due to the limited zoning for such uses elsewhere on the Monterey Peninsula. Therefore, this imbalance will likewise need to be corrected over a significant period of time.

3. **IN ORDER TO MEET ITS REGIONAL HOUSING NEEDS FOR 2002-2007, THE CITY WILL NEED TO ENSURE ADEQUATE SITES WITH INFRASTRUCTURE AT APPROPRIATE DENSITIES FOR LOWER, MODERATE AND ABOVE-MODERATE INCOME HOUSING (PAGE 25).**
   It is estimated that the City will need to ensure adequate land with appropriate zoning for 248 additional housing units between 2002-2007.

4. **ONE OF THE MOST SIGNIFICANT CHALLENGES THAT THE CITY WILL FACE IN THE COMING YEARS IS SECURING ALTERNATIVE WATER RESOURCES TO ACCOMMODATE DEVELOPMENT NEEDS (PAGES 31-32).**
   There are no water allocations currently available for new development in Sand City. The City must continue its program to develop alternative water resources, such as the provision of a desalination facility.

5. **IN ORDER TO ADDRESS THE ISSUES IDENTIFIED ABOVE AND OTHER CONCERNS, THIS DOCUMENT INCLUDES A COMPREHENSIVE HOUSING PROGRAM STRATEGY FOR 2002-2007 (PAGE 57).**
   Chapter 7 of this document includes the Housing Program Strategy for the time period of 2002-June 30, 2007. The Strategy includes 6 overall housing goals and 18 programs to implement those goals.

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1. INTRODUCTION

The Housing Element is one of seven elements required to be included in the City's General Plan. There are specific guidelines developed by the State of California for subjects that must be included in a Housing Element. These guidelines are identified in Article 10.6 of the State of California Government Code.

In very simple terms, Article 10.6 specifies that Housing Elements must evaluate the current housing market in a community and then identify programs that will meet housing needs. The following information is required to be included in a Housing Element:

- Evaluation of existing housing needs,
- Estimates of projected housing needs,
- Review of previous Housing Element goals and programs,
- Inventory of adequate sites for housing and evaluation of infrastructure condition and requirements,
- Identification of constraints on housing, including governmental as well as non-governmental constraints,
- Housing program strategy to address identified needs, and
- Quantifiable objectives for attainment of new construction, rehabilitation and conservation housing needs.

The City's previous Housing Element was adopted in 1991 by the City Council. The 2002-2007 Housing Element represents an update of the 1991 Housing Element.

The 2002-2007 Housing Element contains the most current information in regard to Sand City's housing market as of Fall 2002. Where available, data is cited from the 2000 U.S. Census and the most recent information available from the State of California, Department of Finance for January 2002.

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2. Housing Needs Assessment

Population Information

Population Data

The City of Sand City was incorporated in 1960. Although its population reached a "peak" of approximately 600 persons during the 1960-70 decade, Sand City experienced a population decline between 1960 and 1980 because of loss of housing units due to industrial and commercial expansion. Since 1970, the population of Sand City has been in the range of approximately 200 persons. In comparison to other communities in Monterey County, Sand City has historically and continues to be the smallest community in the County in regard to population. In 2002, the population of Sand City was 267 people. This represents an increase of 6 people since the 2000 U.S. Census count of 261 people in Sand City.

Future Population Growth

While the population has remained fairly constant during the past several decades, it is expected that Sand City will experience significant population growth in the future. According to the City's 2002-2017 General Plan, the City expects to grow and develop during that 15-year period. In specific, the goal is to transform the older parts of the City "...into a district of medium-density housing in a planned, mixed use environment." [i]

Future population projections for the City forecast a population base of 1,000 or more people. The AMBAG (Association of Monterey Bay Area Governments) population projections for Sand City forecast a population of 1,541 persons in 2010. The ultimate build-out projection for Sand City, as estimated by AMBAG in 1998, is approximately 1,800 persons. However, the City's own projected population at build-out is somewhat lower. The City estimates that there will be a total of 1,295 persons at build-out in Sand City. [ii]

Population by Ethnicity

The 2000 U.S. Census data indicates that the largest ethnic group was of Caucasian background. The next largest ethnic group was Hispanic or Latino, which comprised 27.6% of the total population. Black or African American represented approximately 5.4% of the total and the Asian population was 3% of total population.

Population by Age

In 2000, the census data indicated that approximately 18% of the City's population was 19 years of age or younger. This is less than the percentage for the same age group in Monterey County (32%) or in the State of California (27%). The percentage of persons 20 to 64 years of age, however, is higher than the percentage for either Monterey County or the State.

The City's population of adults 65 years of age is significantly less than either the County or the State. Only 5% of the City's population is 65 years of age or older.

Illustration #1: Population By Age: City, County and State 2000

AGE GROUP	Sand City	Monterey County	California
19 years and younger	18%	32%	27%
20 to 64 years	77%	58%	62%
65 years and over	5%	10%	11%
TOTAL PERSONS	100%	100%	100%

Source: U.S. Census, 2000

Population and Employment Projections

Sand City is located in the northern Monterey County. Regionally, the employment base of the County is dominated by agricultural and visitor-serving jobs. Sand City's economy, however, is different than the countywide economic base. Originally, Sand City's economy was based on heavy industrial use and resource extraction industries. However, in recent years, the City has increased its commercial base substantially and retail jobs now dominate the City's economy. An economic report prepared for the County of Monterey[iii] indicated that, in 1999, Sand City had 1,799 jobs. Of the total 1,799 jobs, approximately 943 or 52% of all jobs were in the retail trade. The next largest job group

represented in Sand City was the construction trades with 263 jobs. In comparison to the number of households in the City, there are an excess of jobs per household. In fact, Sand City is one of four areas in the County with an excess jobs/housing ratio (a "healthy" jobs/housing ratio is considered to be 1.5 jobs per household). Sand City's jobs/housing ratio is approximately 20 jobs per household.

In regards to housing and transportation issues, an excess of jobs to housing is indicative of a need to provide more housing units. Within the regional context, Sand City's need for additional housing units to provide a more balanced jobs/housing ratio was acknowledged in the assignment of Regional Housing Need figures from AMBAG. Prior to factoring in a jobs/housing adjustment, Sand City's Regional Housing Need Allocation for 2000-2007 was 197 housing units. An additional 70 units was added to the base figure to account for the jobs/housing adjustment. The revised Regional Housing Need Allocation for Sand City is 267 housing units, after factoring in the additional 70 units. (Please see Chapter 3 of this document for a further description of the Regional Housing Need Allocation process.)

HOUSEHOLD INFORMATION

CURRENT AND PROJECTED HOUSEHOLDS

For purposes of evaluating housing supply and demand, it is helpful to translate information from population figures into household data. The U.S. Bureau of the Census defines a household as the group of all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, and unrelated individuals living together. Persons living in retirement or convalescent homes, dormitories, or other group quarter living situations are not considered households.

In 2002, there were 83 households in Sand City, according to State of California Department of Finance estimates.

HOUSEHOLD SIZE

Household size is an interesting indicator of changes in population or use of housing. For example, an increase in household size can indicate a greater number of large families or a trend toward overcrowded housing units. A

decrease in household size, on the other hand, may reflect a greater number of elderly or single person households or a decrease in family size.

Sand City's average household size has increased during the last decade. In 1990, the average household size was 2.12 persons per household; in 2002, the average household size had increased to 2.46 persons per household. This increase could be attributable to either larger family sizes or more persons sharing dwelling units in order to afford housing costs.

Sand City's household size, however, is smaller than the average household size for Monterey County (incorporated and unincorporated areas). The average household size for Monterey County in 2002 was 3.14 persons per household.[iv]

Households by Income Level

The 2000 U.S. Census data reports that the median household income was $34,375 in 1999 in Sand City. The table below illustrates the percentage of households within each household income range in the City in 1999 as reported in the census.

ILLUSTRATION #2: Households by Household Income Ranges, City of Sand City, 1999

Household Income Range	Number of Households	Percentage of All Households
Less than $10,000	8	10.5%
$10,000-14,999	8	10.5%
$15,000-24,999	19	25%
$25,000-34,999	4	5.3%
$35,000-49,999	18	23.7%
$50,000-74,999	10	13.2%
$75,000-99,999	4	5.3%
$100,000-149,999	3	3.9%
$150,000-199,999	-	-
$200,000 or more	2	2.6%
TOTAL	**76**	**100%**

urce: U.S. Census, 2000

The chart above provides information regarding the number and percentage of households within certain household income ranges. For purposes of federal, state and local housing assistance programs, it is also important to identify

households according to very low, low or moderate-income ranges. The definitions of household income levels are provided below.

HOUSEHOLD INCOME CATEGORY	DEFINITION
VERY LOW INCOME	Households with incomes at or below 50% of areawide median income
LOW INCOME	Households with incomes between 51-80% of areawide median income
MODERATE INCOME (STATE OF CALIFORNIA DEFINITION)*	Households with incomes between 81-120% of areawide median income
ABOVE MODERATE OR UPPER INCOME	Households with incomes above 120% of areawide median income

**The federal (U.S. Department of Housing and Urban Development) definition of moderate income is 81-95% of areawide median income.*

The chart below indicates the 2002 maximum household income limits for communities in the County of Monterey.

ILLUSTRATION #3: MAXIMUM HOUSEHOLD INCOME LEVELS: ELIGIBILITY FOR HOUSING ASSISTANCE PROGRAMS, 2002

INCOME CATEGORY	1 Person	2 Persons	3 Persons	4 Persons
Very Low	**$18,850**	**$21,500**	**$24,200**	**$26,900**
Low	**$30,150**	**$34,450**	**$38,750**	**$43,050**
Moderate	**$45,200**	**$51,650**	**$58,100**	**$64,550**

Source: U.S. Department of Housing and Urban Development, Income Limits: County of Monterey, 2002

For purposes of housing assistance program eligibility, it is important to identify the percentage of households within a community that qualify as very low, low or moderate income. At the time that this Housing Element was prepared (Fall 2002), the 2000 U.S. Census data regarding household income distribution was not yet available. (Although the chart on page 8 shows 2000 census data for income, the census data does not currently differentiate by household size or the relation of household income to very low, low or moderate income households.)

Therefore, the most recent data regarding household income levels is the 1990 U.S. Census data. The illustration that follows (Illustration #4) depicts the percentage breakdown by household income level in Sand City and in the County of Monterey.

ILLUSTRATION #4: HOUSEHOLD INCOME CATEGORIES, SAND CITY AND COUNTY OF MONTEREY (1990)

	VERY LOW INCOME HOUSEHOLDS	LOW INCOME HOUSEHOLDS	MODERATE INCOME HOUSEHOLDS	ABOVE MODERATE INCOME HOUSEHOLDS
Sand City	51%	21%	18%	10%
County of Monterey	22%	19%	25%	34%

Source: AMBAG, Regional Housing Needs Draft Plan (February 2002)

The State of California, Department of Finance, has estimated that there were 83 households as of January 1, 2002 in Sand City. The chart below demonstrates the estimated number of households by income category using the 1990 household income percentage distributions as applied to the 2002 Department of Finance household estimates.

ILLUSTRATION #5: HOUSEHOLD INCOME APPLIED TO ESTIMATED 2002 HOUSEHOLDS, SAND CITY

HOUSEHOLD INCOME:	VERY LOW	LOW INCOME	MODERATE INCOME	ABOVE MODERATE	TOTAL HOUSEHOLDS
Number of Households *(Percentage of Total)*	**42** *(51%)*	**18** *(21%)*	**15** *(18%)*	**8** *(10%)*	**83** *(100%)*

Sources: U.S. Census, 1990 (Household Income Percentage Distribution
State of California, Department of Finance January 2002 "Population and Housing Estimates" (Number of Households in Unincorporated Area)

HOUSEHOLDS OVERPAYING FOR HOUSING

Using state and federal definitions, a household is considered to be "overpaying" for housing when they spend more than 30% of their annual income on housing

households according to very low, low or moderate-income ranges. The definitions of household income levels are provided below.

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Source: U.S. Department of Housing and Urban Development, Income Limits: County of Monterey, 2002

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Source: AMBAG, Regional Housing Needs Draft Plan (February 2002)

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Number of Households *(Percentage of Total)*	**42** *(51%)*	**18** *(21%)*	**15** *(18%)*	**8** *(10%)*	**83** *(100%)*

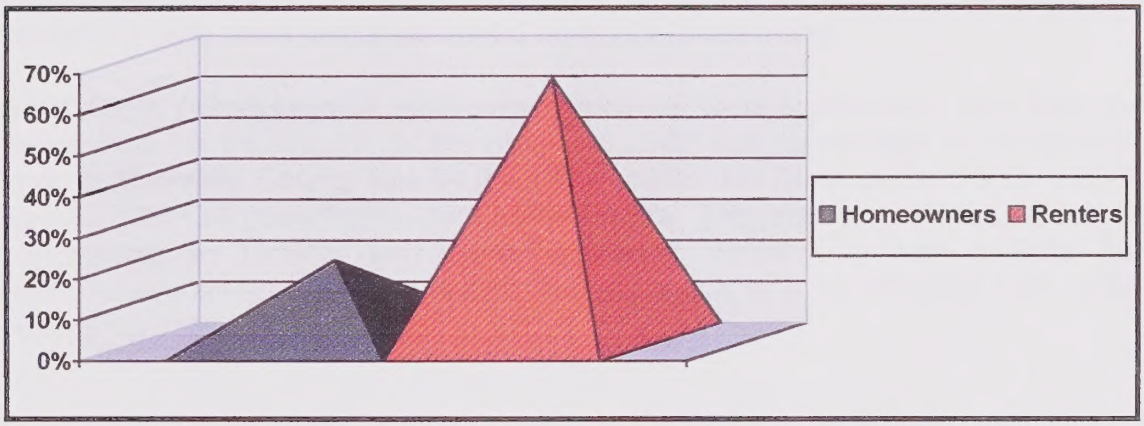
Sources: U.S. Census, 1990 (Household Income Percentage Distribution
State of California, Department of Finance January 2002 "Population and Housing Estimates" (Number of Households in Unincorporated Area)

HOUSEHOLDS OVERPAYING FOR HOUSING

Using state and federal definitions, a household is considered to be "overpaying" for housing when they spend more than 30% of their annual income on housing

costs. Lower income households typically "overpay" for housing more than moderate and above moderate-income households. In fact, as the household income levels decrease, the percentage of households "overpaying" for housing typically increase. The chart below identifies by household tenure the percentage of households who were overpaying for housing in Sand City, according to 2000 U.S. Census estimates.

ILLUSTRATION #6: HOUSEHOLDS OVERPAYING FOR HOUSING BY HOUSEHOLD TENURE SAND CITY 2000



The chart above (Illustration #6) indicates that 20% of all homeowners were paying more than 30% of their income for housing. However, there were only a total of 20 homeowners that reported housing costs in Sand City. Therefore, 20% of 20 reflect 4 homeowners, which is statistically a very small number.

Approximately 56 renters reported their housing costs and, of that total, 64.3% were paying more than 30% for housing. A substantial number of those households that were overpaying, 30 of the total 56 renter households, were paying more than 35% of their income for housing.

While the percentages cited above are based on a small "pool" of households, they do appear to indicate that renter households in Sand City are more likely to be overpaying for housing than homeowner households, which is typical.

Household Tenure

Household tenure (owner occupied or renter occupied) is an important characteristic to review in evaluating housing supply and demand. Communities need to have an adequate supply of units available both for rent and for sale in

order to accommodate a range of households with varying incomes, family sizes and composition, life styles, etc.

In Sand City, the majority of housing units are renter-occupied. Of all occupied units in the 2000 U.S. Census, 64% were renter-occupied or 51 households. The remaining 36% were owner-occupied units (29 households).

Sand City's percentage of homeowner units (36%) is significantly less than the percentage for the County or the State. In 2000, the percentage of homeowner units in Monterey County was 54.6%. The rate for the State of California in 2000 was 56.9% of all households were homeowners. This data would indicate that, in comparison to County and State averages, Sand City has a very low homeownership occupancy rate and, correspondingly, a significantly high renter occupancy rate.

Households With Special Needs

Within each community, there may be certain sub-populations that have special housing needs. For purposes of this Housing Element, the following are the households that have been identified as having special housing needs:

1. Homeless Households
2. Overcrowded Households
3. Single Parent Households
4. Elderly Households
5. Disabled (Physical and Mental) Households
6. Farmworker Households

1. Homeless Households

Homelessness is a housing issue that has become a significant social concern in recent years. The reasons for the increase in homeless individuals are many. They include the steady decrease in federal housing funds, the high cost of available housing, the increasing number of mentally ill individuals living on their

own, persons with substance abuse problems, women and children fleeing family violence and the lack of family support networks in today's fast paced society.

The County of Monterey commissioned a comprehensive census and needs assessment report in 1999[v]. A "point in time" census was conducted in March 1999, which indicated that there were 1,124 homeless persons either in shelters or in non-shelter locations in Monterey County. Approximately 113 individuals were counted in the Seaside/Sand City areas. The authors of the report caution that the "point in time" census is an excellent data source but "do not communicate the true picture of homelessness in a community." The "point in time" estimate must be annualized in order to determine the total number of homeless individuals in a given year in Monterey County. After conducting their own survey and consulting other available research documents, the authors of the report estimated that the total number of homeless in Monterey County was 6,710 homeless individuals in a given year.

The 1999 Report also provides information regarding characteristics of the homeless population in Monterey County. The information was generated through the Needs Assessment Survey of homeless individuals.

ILLUSTRATION #7: HOMELESS SURVEY HIGHLIGHTS, COUNTY OF MONTEREY 1999

- **57.9% of participants reported that they were born in California.**
- **76.1% of participants were male. The average age of all participants was 37.8 years.**
- **White/Caucasian persons represented 57% of all participants, 23.6% were Hispanic/Latino and 12.7% African-American.**
- **A surprisingly low percentage of participants indicated that they were U.S. military veterans—only 19.8% reported that they had served in the military.**
- **79% of participants indicated that their income was less than $500 per month and 20% said that they had no income at all.**

Source: County of Monterey, "Monterey County Homeless Census and Needs Assessment," November 1999 pages 11.1-11.14

Existing Services and Resources for Homeless Individuals and Households

The County's "Continuum of Care" plan identifies the various existing components of services and facilities for homeless individuals. The list includes the following resources in Monterey County:

Emergency Shelters	237 beds (plus motel vouchers)
Transitional Housing	393 existing beds
	150 beds under development
	12 beds in planning stages
	70 beds in residential substance abuse treatment
Permanent Supportive Housing	84 beds (63 beds in planning stages)

The 1999 Homeless Census survey indicated that 27% of homeless individuals stated that they could not find an available bed in an emergency shelter or some other type of facility. Therefore, it appears that there is some need for expansion of the existing shelter facilities. The 2001 Homeless Services Plan rates as high priority actions the following in regard to emergency shelters:

- Increase collaboration and coordination among emergency shelters in order to better serve clients and develop a plan to collect, update and disseminate information.
- Explore if there is unused or underused short-term housing space that could be used for emergency shelters.
- Expand existing and/or create new motel voucher programs.
- Review shelter programs and secure technical assistance for managers of financing, design, siting and community support.
- Increase the availability of funding and space for inclement weather expansion on an as needed basis.

Regarding transitional housing, the 2001 Homeless Service Plan recommends maintaining existing transitional facilities and supporting new facilities, including the following planned 55 units in 4 facilities/programs:

- Veterans Transition Center- 20 Units
- Salvation Army- 10 Units
- Shelter Outreach Plus- 14 Units
- Community Human Services- 11 Units

In Sand City, the facility that serves homeless individuals is the Salvation Army Day Center. The Salvation Army provides services for approximately 50-60 individuals on a daily basis. These services include shower and personal care facilities, breakfast and lunch, case management services and assistance with transportation needs. At night, local churches rotate in providing sleeping facilities for homeless individuals.

Zoning Requirements for Homeless Facilities

The City's Zoning Ordinance does not currently include any references for facilities such as emergency shelters or transitional housing facilities. Program # 4.4.a on page 67 of this document includes program actions to revise the City's Zoning Ordinance to allow such facilities with a use permit.

2. Overcrowded Households and Large Families

Overcrowded households are defined as households in which there is more than one person per room in the living structure (usually "room" is defined as any room in the structure except for kitchen and bathrooms). According to the 2000 U.S. Census, approximately 12 units or 15% of the City's total occupied housing units were overcrowded with more than 1.1 persons per room. Severe overcrowding (more than 1.5 persons per room) was reported in 8 of the 12 units. Of the total 12 overcrowded units, 11 were occupied by renters and the remaining 1 unit was a homeowner unit.

Traditionally, large households (households of 5 or more persons) have difficulty in securing and/or affording housing units of 3 or more bedrooms. Large renter families, in particular, have difficulty in finding rental housing stock that is appropriate for their household size and affordable. The 2000 census data indicated that there were 15 households in Sand City that had 5 or more persons. Of those 15 households, 11 were renter households and 4 were homeowner households.

3. Single Parent Households

Single parent household as used in this document is defined as a family household with one or more children under the age of 18 years and headed by either a female or male head of household, with no spouse present.

There were a total of 80 households in Sand City according to the 2000 Census data. Of these 80 households, approximately 17 or 21% were "family" households with children under 18 years of age. There were 2 single parent female-headed family households with children.

Lower household income is one of the more significant factors affecting single parent households. Limited household income levels affect the ability of these households to locate affordable housing and, consequently, this is one of the more significant housing problems of this household category.

4. Elderly Individuals and Households

Only 5% of Sand City's population is 65 years of age or older. This percentage does not indicate a significant number of elderly in the population. In fact, the 2000 U.S. census data reported that there were no household heads in families that were 65 years of age or older in Sand City. There were 12 "non-family" household heads 65 years of age or older. It is estimated that these 12 persons probably live alone and are therefore considered in "non-family" households.

While the elderly population does not currently represent a significant portion of Sand City's population, it is probable that their percentage in the population will increase in the future. This will be due to increased longevity rates in the population with individuals having longer life spans than in the past.

5. Disabled Households

Disabled households include households who have family members that are disabled because of physical handicaps or because of mental illness or disability, It is possible of course that some individuals have both a physical and mental disability but Census data does not provide that level of specificity. According to the 2000 U.S. Census data, there were 35 persons 21 years of age and older in Sand City who had a disability. Of the total 35 persons, 9 persons reported a disability but they could still be employed.

Census information is not available about the type of household they live in, their income level or how their disability affects their housing needs. Generally, persons with disabilities have lower incomes especially if their disability affects their ability to work. Housing that is affordable is a high priority for these individuals.

Mobility impaired persons are also often in need of affordable housing. In addition, the person with a mobility limitation typically requires housing that is physically accessible. Examples of accessibility in housing include widened doorways and hallways, ramps leading to doorways, modifications to bathrooms and kitchens (lowered countertops, grab bars, adjustable shower heads, etc.) and special sensory devices (smoke alarms, light switches, etc.).

5. Farmworker Households

There are no agricultural lands or agriculturally zoned properties in Sand City. According to the 2000 census data, only 3 individuals in City households reported that they were employed in the farming/fishing industry. There are no farm labor housing developments in the City nor are there projects assisted with Rural Housing Administration financing. Further, the 2000 U.S. census data indicated that there are no housing units occupied by migratory households.

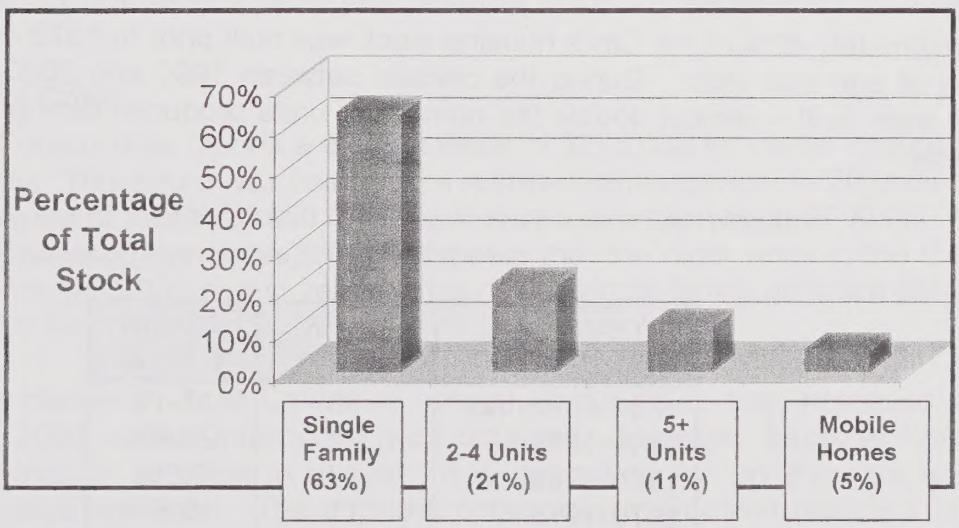
Housing Stock Data

Housing Units by Type

Sand City's 1991 Housing Element indicated that there were 109 housing units in the City at that time. [vi] The Element further reported that the majority of these units were constructed in the 1920s and 1930s and were located in non-residentially zoned areas of the City.

As of January 1, 2002, there were 90 dwelling units in the City.[vii] This would indicate a slight increase from the U.S. Census data of 2000 that reflected a total housing stock of 87 units. However, both the 2000 and 2002 data indicate a loss of approximately 20 housing units since 1991. These units were located in non-residentially zoned areas and were either demolished or converted to more appropriate uses.

ILLUSTRATION #8: Housing Stock by Type,
City of Sand City
January 2000



Sources: State of California, Department of Finance Population And Housing Estimates, January 1, 2000 and U.S. Census

The 2000 U.S. Census data indicated that 63% of the housing units (58 units total) in the City were single-family units; either detached or in attached structures. There were 19 units in structures of 2-4 units (21% of total units) and 10 units in a multi-

family structure of 5 or more units (11% of total units). There were 5 mobile homes in the City, representing approximately 5% of the stock.

VACANCY RATES

The vacancy rate in a community indicates the percentage of units that are vacant and for sale/rent at any one time. Low vacancy rates (typically defined as anything less than 3% for homeowner units and 5% or less for renter units) can indicate a tight housing market with few vacant units which then creates a high demand for those vacant units.

Data from the 2002 California Department of Finance tables indicate that a total of 7 units were vacant out of a total housing stock of 90 units. This reflects an overall vacancy rate of 7.78%. The 2000 census data also indicated an overall vacancy rate of approximately 8% and further identified the homeowner vacancy rate at 3.3% and the renter vacancy rate at 7.3%. Although the total number of units in Sand City represents a small pool of units, the vacancy rates would indicate a healthy housing market in terms of an adequate supply of units in relation to the demand.

AGE OF HOUSING

Approximately 49% of the City's housing stock was built prior to 1970 and is now 30 years of age and older. During the decade between 1990 and 2000, 20 housing units were built -- almost double the number of units produced during the previous decade.

ILLUSTRATION # 9: AGE OF HOUSING STOCK
CITY OF SAND CITY, JANUARY 2000

YEAR BUILT	NUMBER OF UNITS	PERCENT OF TOTAL
1939 or earlier	16	17.4%
1940-1959	22	23.9%
1960-1969	7	7.6%
1970-1979	17	18.5%
1980-1989	10	10.9%
1990-2000	20	21.7%
TOTAL	**92***	**100%**

Source: U.S. Census 2000 (Table DP-4)

** Although all other census data indicate a total housing stock in Sand City of 87 units, this table indicates a total of 92 units. The State of California, Department of Census also reports a total housing stock of 87 units in 2000 for Sand City, based on census data.*

Housing Condition

One common indicator used to determine housing condition is the age of housing. As the data in the previous chart indicates, approximately 49% of the City's housing stock was built since 1970.

The majority of the older homes in the City are located on non-residentially zoned parcels. While these units can certainly continue as residential units, the City would rather encourage residential development in those areas where there is the appropriate residential or mixed use zoning designations. Therefore, the City supports minor repair and improvements to the existing units but the provision of significant assistance for major housing rehabilitation efforts is not appropriate.

Cost of Housing and Affordability

One of the most important factors in evaluating a community's housing market is the cost of housing and, even more significant, whether the housing is affordable to households who live there or would like to live there. Unfortunately, housing costs have increased in coastal communities and the Monterey County area has been identified as one of the least affordable places to live in the United States.

Homeownership Costs

The 2000 U.S. Census data reports a median value of $275,000 for owner occupied units in Sand City. This figure was based on a representative sample of 20 units in which 5 were valued at less than $50,000 and 7 were valued between $500,000 to $999,000. In reviewing data since 2000, it appears that the older units in the City are probably in the $275,000 or less range while newer single-family units are being sold in the $500,000+ range.

The real estate market in most California coastal communities has increased in value since the 2000 census information was obtained. However, because Sand City's housing stock is so small in number, it is difficult to get an accurate and current median price valuation. The adjacent community of Seaside reports in its October 2002 Housing Element draft that the median value of a home in Seaside is $306,000. The Sand City housing market is unique, however, in that it contains a very small pool of housing units and that pool of units includes a wide variation in housing type and age.

Rental Costs

As identified earlier in this report, Sand City's housing stock is primarily rental units. The 2000 U.S. Census data reported that the median rent of the 56 renter units that reported rents was $775 per month. There were no units reporting rents of less than $500 per month and the majority of the units were renting at between $500-$1,000 per month.

Housing Cost and Overpaying for Housing

One indicator of the healthiness of a housing market is whether households are "overpaying" for housing. Overpaying is usually defined as a household that is paying more than 30% of their income for housing. Once a household starts to pay more than 30% of income for housing, then it is assumed that there is less money available for other household necessities such as food, transportation, childcare, etc. and, consequently, the household is considered to be paying too much for housing. The 30% figure is typically used by governmental agencies as a measure of affordable housing and includes all housing costs. For a renter household this would include monthly rent and utilities. For a homeowner household, it typically includes monthly mortgage principal, interest, tax and insurance payments. While lower income households typically are most at risk for overpayment of housing, this situation can also affect moderate and above income households. Due to the spiraling increase in housing costs in California communities, overpaying for housing has extended into the moderate and above income categories also.

In Sand City, the 2000 census data indicated that the median mortgage payment was $1300. This was based on information reported by 13 households (out of a total of 20 owner occupied households). Only 4 homeowner households reported spending more than 30% of their income for housing costs.

In regard to rental units, there was a greater proportion and number of households overpaying for housing. Approximately 36 households or 70% of the total 51 renter households reported spending more than 30% of their income for housing costs.

Affordable Housing Costs in 2002

The two charts on the following page provide information regarding the type of sales price and rental charges that would be affordable to lower and moderate-income households in Sand City. These affordability estimates are based on using the affordability criteria as required for Redevelopment projects in California communities.

ILLUSTRATION #10: COMPARISON OF HOUSEHOLD INCOMES AND AFFORDABILITY

A. Affordable Rents by Household Income Level

HOUSEHOLD INCOME	*Studio/1 Person Household**	*1 Bedroom/Two Person Household**	*2 Bedroom/Three Person Household**	*3 Bedroom/Four Person Household**	*4 Bedroom/Five Person Household**
Very Low Income	$471	$537	$605	$673	$726
Low Income	$565	$646	$726	$807	$872
Moderate Income	$1035	$1183	$1331	$1479	$1598

** Maximum affordable rent includes allowance for utilities paid by the tenant*

B. Affordable Sales Prices by Household Income Level

HOUSEHOLD INCOME	*1 Bedroom/Two Person Household*	*2 Bedroom/Three Person Household*	*3 Bedroom/Four Person Household*	*4 Bedroom/Five Person Household*
Low Income	$98,906	$111,565	$122,086	$131,963
Moderate Income	$182,590	$204,789	$224,960	$242,816

Assumptions:

1. Household income levels are based on January 2002 Income Limits as distributed by State of California HCD and U.S. Department of Housing and Urban Development for the County of Monterey
2. Rents are calculated based on California Redevelopment Law requirements:
    a. Very Low Income: 30% of 50% of areawide median income, adjusted for household size
    b. Low Income: 30% of 60% of areawide median income, adjusted for household size
    c. Moderate Income: 30% of 110% of areawide median income, adjusted for household size
3. Sale Prices are calculated based on California Redevelopment Law requirements:
    a. Low Income: 30% of 70% of areawide median income, adjusted for household size
    b. Moderate Income: 35% of 110% of areawide median income, adjusted for household size
4. Sales Prices are calculated using the following loan terms:
    a. 8% interest rate, 30 year term, 10% down payment, 1.2 –1.5% allowance for taxes, HOA dues and insurance

3. Projected Housing Needs

New Construction Need: 2000-2007

According to State Housing Element Guidelines, Housing Elements must include an analysis of the number of housing units to be built, rehabilitated, and conserved in order to meet the locality's current and future housing needs. Following is an analysis of Sand City's new construction, rehabilitation and conservation needs.

Estimate of Need (2000-2007)

Determining the number of new units needed in a community has been the responsibility of regional "Council of Governments" in past years. The State of California provides population estimates to each regional government in the State and the regional government then allocates estimated housing units needed among member communities. AMBAG (Association of Monterey Bay Area Governments) is the regional Council of Government that represents Sand City and neighboring communities in the Monterey Bay Area. During the time period of 2000-2002, AMBAG developed the "Regional Housing Needs Determination" for its member communities and, in October 2002, the AMBAG Board of Directors adopted the final numbers and sent those numbers to HCD for their review. The estimated number of housing units needed as determined and by AMBAG reflect the planning period from January 1, 2000 to June 30, 2007.

According to the AMBAG estimates, Sand City has a need of 267 new housing units between 2000-2007. This estimate was developed by AMBAG based on various factors including projected population, job growth, land availability, vacancy rates and replacement housing needs.

Household Need by Income Level

After determining the number of additional households expected by the end of the planning period, AMBAG further quantified future households by income level. The goal of this analysis was to distribute lower income households equitably throughout a region thereby avoiding undue concentrations of very low and low-income households in one jurisdiction.

For the City of Sand City, the AMBAG goal is that 91 of all new households will be lower income (very low and low-income) households. The remaining 176 households were estimated to be moderate or above moderate-income households. The exact breakdown of the projected household income groups is as follows:

Very low-income	36 households (13%)
Low-income	55 households (21%)
Moderate Income	66 households (25%)
Above Moderate Income	110 households (41%)
TOTAL	**267 households (100%)**

The definitions of income used in the AMBAG plan reflect the income definitions used by the State of California. See page 9 in this document for further descriptions of income determinations.

Adjusted New Construction Need, By Household Income Level: 2002-2007

The AMBAG new construction need was finalized in 2002 and reflects the period from January 1, 2000 to June 30, 2007. Since this Housing Element document was written and preliminarily approved in 2002, it is important to adjust the totals in order to reflect the units that have been added to the stock between 2000-2002.

According to data from the Department of Finance (DOF), State of California, there were **3 units** added to the housing stock in Sand City from January 1, 2000 to January 1, 2002. In 2000, there were 87 units in Sand City and, in 2002, that figure had increased to 90 units.

ILLUSTRATION #11: Change In Housing Stock, City of Sand City January 2000- January, 2002

Total Housing Units, January 2002	90 Units
Total Housing Units, January 2000	87 Units
CHANGE	**+ 3 Units**

Source: Department of Finance, State of California

From January 1, 2002 to Fall 2002, there were a total of 16 units approved in Sand City. These include 3 single-family units and 13 units in mixed-use developments. At the time that this Housing Element was written, all 16 units were either under construction or applying for building permits. Therefore, these 16 units need to be added to the 3 units added to the housing stock from January 1, 2000 to January 1, 2002. Therefore, the total number of units either built or approved in Sand City from January 1, 2000 to Fall 2002 is 19 units.

ILLUSTRATION # 12: REVISED REGIONAL HOUSING NEEDS
BY INCOME LEVEL
FALL, 2002- JUNE, 2007

HOUSEHOLD INCOME LEVEL	ESTIMATED NEW UNIT NEED (2000-2007)	TOTAL UNITS BUILT OR APPROVED (2000- 2002)	REVISED NEW UNIT NEED (2002-JUNE 2007)
Very Low	36	**0**	36
Low	55	**0**	55
Moderate	66	**0**	66
Above Moderate	110	19 Units	91
TOTAL	267	19 Units	248

REHABILITATION OF EXISTING UNITS

As noted earlier in Chapter 2 of this document, there are older units in the City that are 30 years of age and older. However, the number of these units is small (less than 45 units total) and the majority of these units are located in non-residentially zoned areas of the City. Therefore, while the City supports minor repair and improvements to these units, there is no need identified for a

comprehensive housing rehabilitation program at this time. The goal of the City is to direct funding assistance efforts and processing support to new developments in residentially zoned areas of the City and to redevelopment projects of a mixed-use character in other areas of the City.

Conservation of Affordable Units

State Housing Element law requires that all Housing Elements include additional information regarding the conversion of existing, assisted housing developments to other non-low-income uses (Statutes of 1989, Chapter 1452). This was the result of concern that many affordable housing developments throughout the country were going to have affordability restrictions lifted because their government financing was soon to expire or could be pre-paid. Without the sanctions imposed due to financing, affordability of the units could no longer be assured.

Following are the required components to be discussed in an analysis of the conservation of the "at risk" units in a community.

1. **Description and Identification of Potential "At Risk" Projects**
    - Federally-Assisted Projects
    - State and Locally Assisted projects
2. **Cost Analysis of Preserving "At Risk" Units**
3. **Resources for Preservation**
    - Public Agencies and Non Profit Housing Corporations
4. **Quantified Objectives for "At Risk" Units**

Description and Identification of Potential "At-Risk" Projects

There are no developments in Sand City that are listed as "At Risk" projects, according to the California Housing Partnership Corporation. Neither is there any federally, state or locally assisted housing units in the City. There are instances of Section 8 voucher assistance being used in rental units but that assistance is associated with tenant-based assistance and are not project-based.

Summary of Preserving "At Risk" Units

Since there are no "at-risk" units in Sand City, there is no further analysis required of resources for preservation of those units or quantified objectives.

4. Housing Constraints

Economic forces in the private market as well as regulations and policies imposed by public agencies can affect new housing development. These constraints primarily impact the production of new housing but can also affect the maintenance and/or improvement of existing housing. The discussion below and on the following pages analyzes both the governmental and non-governmental ("market") constraints that can affect the housing market in Sand City.

Governmental Constraints

Governmental regulations, while intentionally regulating the quality of development in the community can also, unintentionally, increase the cost of development and thus the cost of housing. These governmental constraints include land use controls, building codes and their enforcement, site improvements, fees, and other exactions required of developers, and local processing and permit procedures. Land use controls may limit the amount or density of development, thus increasing the cost per unit. On site and off site improvements like road improvements, traffic signals on adjacent streets or sewer improvements may increase an individual project's costs of development. Processing and permit requirements may delay construction, increasing financing and/or overhead costs of a development.

A. Land Use Controls

The City's General Plan, Local Coastal Plan and Zoning Ordinance are the primary tools that are used to manage the development of residential units in Sand City. The City's coastal zone includes approximately 1.5 miles of ocean frontage on the west side of State Route 1 as well as a strip of land 200 feet in width bordering the east side of State Route 1. Also included in the City's coastal zone is that portion of the Union Pacific Railroad right-of-way within the City boundaries and a parallel strip of land adjacent to the western side of the railroad right-of-way.

The chart on the following page identifies General Plan categories by coastal and non-coastal designations. Further, the chart identifies the zoning districts that are compatible with the land use designations.

ILLUSTRATION # 13: LAND USE AND ZONING CLASSIFICATIONS
CITY OF SAND CITY, 2002

GENERAL PLAN LAND USE DESIGNATION	COMPATIBLE ZONING DISTRICT
Non-Coastal	
East Dunes Specific Plan	EDSP*
Regional Commercial	C-4
Mixed Use	MU-P
Public Facility	PF
Habitat Preserve	OS*EDSP*
Coastal	
Residential Medium Density	CZ R-1
Residential High Density	CZ R-2
Visitor Serving Commercial	CZ VSC
Visitor Serving Commercial, Low Density	CZ VS R-1
Visitor Serving Commercial, Medium Density	CZ VS R-2
East Dunes Specific Plan	CZ EDSP*
Light Commercial	CZ C-1
Heavy Commercial	CZ C-2
Public Facility	PF*
Public Recreation	CZ PR
Habitat Preserve	CZ HP

** Plan and/or District to be adopted*

Source: City of Sand City, General Plan, Land Use Element February 2002

At the time that this Housing Element was drafted, the East Dunes Specific Plan had not yet been adopted. The City is in the process of working with the various property owners involved as well as securing a Habitat Conservation Permit for a 4 acre site that is a habitat for the endangered Smith's Blue Butterfly. Portions of the East Dunes Specific Plan are located in the Coastal Zone, which has been a factor in the adoption process.

The Coastal Land Use Plan can be considered a constraint in that it contains specific policies that can have the affect of curtailing development. Policies in the Plan include those that emphasize environmental concerns and infrastructure adequacy, which can and have affected residential development in Sand City.

For example, the City approved a 133 residential unit development on R-2 land in the coastal zone. However, the Coastal Commission denied the application on appeal in 2000. The City has limited influence in reducing the effect of the Local Coastal Program as a constraint on residential development.

Zoning Code

The City's Zoning Code is contained in Title 18 of the Municipal Code. The Zoning Code includes the following residential district categories:

R-1	Single Family Residential
R-2	One Family and Two Family Residential
R-3	Multiple Family Residential
CZ R-2	Medium Density, Coastal Zone
CZ R-3	High Density, Coastal Zone
CZ VS R-1	Visitor Serving Residential, Low Density
CZ VS R-2	Visitor Serving Residential, Medium Density
PUD	Planned Unit Development
MU-P	Planned Mixed Use

Each of the zoning categories has their own specific development standards, as described in the table (Illustration # 14) on the following page.

MANUFACTURED HOMES

Mobile and manufactured homes are allowed in the Zoning Ordinance as a permitted use in the R-1 zone and as conditional uses in the R-2 and R-3 zones. There were only 5 mobile homes in Sand City in 2002.

SECOND DWELLING UNITS

Second dwelling units are allowed in commercial and industrial areas of the City and, especially, in the Mixed Use District. The City's previous Housing Element (1991 Housing Element) specified requirements for second dwelling units in residential areas although no units were constructed during the 1991-2002 time frame in residential zones. The City's current Zoning Ordinance only allows for accessory units as living quarters for persons regularly employed on the premises in the R-1 district. One of the programs recommended in Chapter 7 of this document is for the City to review its current policies regarding second units in residential areas and to develop a Secondary Unit Program, especially in light of 2001 State legislation in regard to second units (AB 1866).

Illustration # 14: Residential Development Standards by Zoning District

Zoning District	Minimum Site Area	Minimum Average Site Width	Front Yard Setback	Side Yard Setback	Rear Yard Setback	Maximum Height (Principal Structure)	Parking Per Unit
R-1* and R-2 (Single-family units)	3750 sq. ft.	50 feet	5 feet	5 feet	10 feet	30 feet	2 per unit
R-2: two family units	3750 sq. ft.	50 feet (mean)	5 feet	5 feet	10 feet	30 feet	2 per unit
R-3: single story	3750 sq. ft.	75 feet (mean)	5 feet	5 feet	15 feet	16 feet	1.5 per unit (2 or fewer bedrooms) 2 per unit (3 + bedrooms)
R-3: multi-story	3750 sq. ft.	75 feet (mean)	5 feet	5 feet	15 feet	36 feet	1.5 (2 or fewer bedrooms) 2 (3 + bedrooms)
CZ R-2	Cluster Developments		5 feet	0 feet	10 feet	36 feet	2 per units
CZ R-3	Cluster Developments		5 feet	0 feet	15 feet	36 feet	1.5 per unit (2 or fewer bedrooms) 2 per unit (3 + bedrooms)
CZ VS R-1 (timeshare housing)	Cluster Developments					25 feet	2 per unit
CZ VS R-2 (timeshare housing)	Cluster Developments					36 feet	1.5 per unit
MU-P	3750 sq. ft 1875 sq. ft. for single family unit	Front, side and rear yard setbacks as approved by site plan review of the City Council. Single family and multi family residential units are subject to issuance of conditional use permit.				60 feet	Dependent on type of use (e.g. commercial, industrial, etc.)

* Certain substandard lots of 25 foot widths can be developed with exceptions to these minimum standards.

Facilities for Persons with Disabilities

An analysis of potential constraints for housing for persons with disabilities is included in Appendix D of this document. This analysis concludes that the most immediate action that the City needs to address is to revise the Zoning Ordinance to allow residential care facilities in areas of the City that allow residential use. Program #4.4.d in Chapter 7 of this document directs that this revision will occur in 2003.

Density Bonuses/Incentives for Affordable Housing Developments

Unless a locality drafts its own affordable housing ordinances, State law requires that a density bonus (or equivalent financial incentives) of at least 25% be granted to housing developers who agree to construct at least: 20% of the units affordable to lower income households, 10% of the units affordable to very low-income households, 20% of condominium units affordable to moderate income households or senior citizen housing. The City of Sand City has not adopted a separate affordable housing ordinance and, consequently, will comply with the requirements as outlined in AB 1866 and amended sections of the State Government Code until a specific ordinance is adopted. Program 4.1.g in Chapter 7 of this document directs the City to adopt a Density Bonus Ordinance pursuant to AB 1866 in 2003.

B. Infrastructure Capacity

A significant factor that can add to the cost of residential development is the availability and adequacy of infrastructure. In Sand City, the major infrastructure issue is the availability of water.

Water Availability and Adequacy

The Monterey Peninsula has historically experienced water shortages that limit residential development. Sand City is a member of the Monterey Peninsula Water Management District (MPWMD). The MPWMD is responsible for issuing water service permits for developments located within the District's boundaries. Domestic water service is provided by the California American Water Company (Cal-Am), which operates and maintains the water system within the district.

Monterey County's water supplies are derived primarily from the Carmel and Salinas River systems and the Seaside groundwater basin. In 1995, Cal-Am's use of the Carmel River system was greatly restricted by State Water Resources Control Board Order 95-1. Due to the lack of adequate water supplies on the Monterey Peninsula, the availability of water for new development is limited.

MPWMD allocates a fixed allotment of water to each jurisdiction, including Sand City. The City's only available allotment is for 17 units – which have been allocated for the future new residential development in the East Dunes Specific Area and, in particular, for the proposed Wellington Homes development. There are no additional allotments expected for the 2002-2007 time frame of this Housing Element.

In order to develop a more permanent source of water, the City is pursuing the establishment of a desalination facility. It is envisioned that the facility would be a public-private partnership involving the City, the desalination plant manufacturer and possibly a primary developer. It would be Sand City's intent to separate its water supply, distribution and storage facilities from the Cal-Am system.

At the time that this Housing Element was drafted, the City was in the process of completing an Environmental Impact Report for the desalination plant. After that process is completed, the proposed plant would also have to be reviewed by the MPWMD as well as the Coastal Commission. The City has been awarded two grants from the State of California, Department of Housing and Community development for additional preliminary studies on the desalination plant.

Once established, the proposed desalination facility will supply at least 150 acre-feet per year for new development and 150 acre-feet for existing development in the City. It is estimated that new residential development will average 0.20 acre-feet per dwelling, requiring a total of 49.6 acre-feet to meet the 2002-2007 Regional Housing Needs Allocation of 248 units. Program # 4.1.c in Chapter 7 commits the City to allocating this water supply should the desalination plant be established and operational.

Sewer:

The Monterey Regional Water Pollution Control Agency (MRWPCA) and the Seaside County Sanitation District (SCSD) provide wastewater collection and treatment to Sand City. The MRWPCA operates the Regional Sewage Treatment Plant in Marina. The SCSD maintains the collection lines and pumping stations that deliver sewage from Sand City and Seaside to MRWPCA's Seaside pumping station, located west of State Route 1 on Bay Street. The Regional Treatment Plant has a capacity of 30 MGD (million gallons per day), and in 2002, was processing approximately 20 MGD.

There are some deficiencies in sewer service supply and distribution lines, primarily in the coastal area west of State Route 1 and undeveloped portions of the East Dunes area. The City's 1990 Facilities Plan and 2002 General Plan

(Circulation and Public Facilities Element) identifies these improvements and proposed costs. It is anticipated that the City may use Redevelopment funds to help pay for some of the improvement costs.

Transportation:
State Route 1 crosses the center of Sand City and is a dominant fixture in the City's landscape. For several years, there have been proposals to widen State Route 1 from four to six lanes and to improve interchange access. However, there were no specific actions or funding sources authorized at the time that this Housing Element was prepared.

The City's Circulation and Public Facilities Element of the 2002 General Plan identifies the need for circulation and access improvements in several areas of the City, including the East Dunes, Old Town and Coastal Zone areas. However, none of these recommendations are significant in terms of restricting new residential development. All local streets within Sand City operate within acceptable levels of service. No traffic mitigation fees are required for small scale projects. For larger-scaled projects, the amount of traffic mitigation fee would be based on its pro-rata share of cumulative costs generated within any given traffic shed in which the project was proposed.

On Site Infrastructure:
New on-site infrastructure is not considered to be a potential constraint to housing development within the Old town District (also known as the "West End") because those housing opportunities will be in urban infill sites where the infrastructure is largely already in place. The City's Redevelopment Agency, however, has been working with an urban design and parking design team to develop streetscape improvement plans. These plans will include street trees, street furniture and undergrounding of existing, unsightly utility poles. Future revitalization efforts based on these plans will be funded to a significant extent by the Redevelopment Agency.

In those areas such as the East Dunes where new residential development is planned, the City will require on-site infrastructure improvements, including the construction of interior roads, street lighting, water, sewer, drainage and underground utility systems. The City has not adopted any requirements above and beyond those authorized by the State Subdivision Map Act. For the East Dunes area, the City has actually reduced the street width to 32 feet. This narrowing of streets was a design consideration to provide more front yard landscaping to individual home owners and for traffic-calming purposes.

C. GOVERNMENTAL FEES

The development of new housing units imposes certain costs upon local government, such as the cost of providing planning services and inspections. In

addition, there are long-term costs such as the continued maintenance of a community's infrastructure and public facilities. In order to pay for such services, local governments charge fees for proposed development applications. Listed below are the 2002 fees charged by the City of Sand City for some of the more typical planning services.

ILLUSTRATION # 15: TYPICAL PLANNING DEPARTMENT FEES
CITY OF SAND CITY

SERVICE	FEE
Major Subdivision – Tentative Map	$750 + $70/lot
Major Subdivision – Final Map	$$500
Minor Subdivision	$750 + $70/lot
Planned Unit Development	$375 + $35/unit
Preliminary Land Use Determination	$500
Rezoning	$375 + $50/acre
Site Plan	$250
Variance	$200
Design Review (Single Family/Duplex)	$50

Source: City of Sand City, 2002

In comparison to other communities, Sand City's governmental fees are low. The chart below shows the fees charged by the City's Planning and Building Department for a single family, 2000 square foot detached unit. The unit is one of three units in a residential development.

ILLUSTRATION # 16: TYPICAL DEVELOPMENT FEES: SINGLE FAMILY, DETACHED UNIT (FALL 2002)
2000 SQUARE FEET HOME VALUED AT $150/SQUARE FOOT

TYPE OF FEE	AMOUNT
Site Plan Review (1/3 of Total Fee)	$82.50
Design Review	$50.00
Building Permit Fee	$2678.00
Plan Check Fee	$1740.00
SMIP (Strong Motion Inst. Fee)	$30.50
Building Development Fee	$202.30
TOTAL CITY FEES	$4,783.30
School District Impact Fees	$4,280.00
TOTAL CITY AND SCHOOL DISTRICT FEES	**$9,063.30**

Source: City of Sand City, 2002

The fees identified in the previous chart include only those fees that the City can control in some way. In addition to City fees, residential projects will also pay fees required by the water and sewer district and Coastal fees (if applicable). Further, if an Environmental Impact Report or other studies would be required for a proposed project, these costs could also impact the development's overall costs.

D. PERMIT PROCESS AND TIME FRAMES

The residential development process proceeds through various stages, each of which requires some form of City approval. Initial processing of a development application depends on the type of project proposed (e.g. Planned Unit Development, lot subdivision, etc.) as well as whether additional requirements will need to be met (e.g. rezoning of land, environmental reviews, etc.). Due to the fact that there has been very limited development in Sand City over the past few years because of the "de facto" water moratorium, there have not been a large number of projects processed in recent years. The paragraphs that follow describe the typical permit processing steps and time frames based on recent projects which include single family, planned unit and mixed use developments.

Because of its small size, Sand City has very efficient permit processing time frames compared to other communities. In fact, Sand City's permit processing time is the fastest development application processing time of any Peninsula community because the City Council also acts as the Planning Commission. No other community within Monterey County provides this development accommodation. This organizational structure eliminates a significant development review step and time consumption because additional legal noticing is not required and appeals from citizens to the City Council are non-existent.

All development applications in Sand City basically follow the steps and time frames outlined below.

ACTION	TIME FRAME
1. Initial staff, over the counter review	1 day
2. Application review and noticing	45 days
3. Design Review Committee (DRC) review/approval	7 days
4. City Council review/approval	7days

Therefore, for 90% of projects that are in-fill and exempt from CEQA requirements (which most are), the average review and approval time is 3 months or less. For larger projects requiring mitigated negative declarations (MNDs), the approval process is extended an additional 2 months for environmental processing and noticing requirements.

For larger projects within the appealable coastal zone (all projects west of Highway One), the approval times are lengthened considerably as all projects within that zone are appealed to the Coastal Commission by the Sierra Club. Sand City's most recent example was a large 495-unit project that took the City one year to process, due to the requirement for an EIR, but then was appealed and eventually denied by the Coastal Commission. A portion of that project was zoned R-2 and would have allowed 133 residential condominiums. The developer is currently (2003) suing the Coastal Commission for the denial of the project permit.

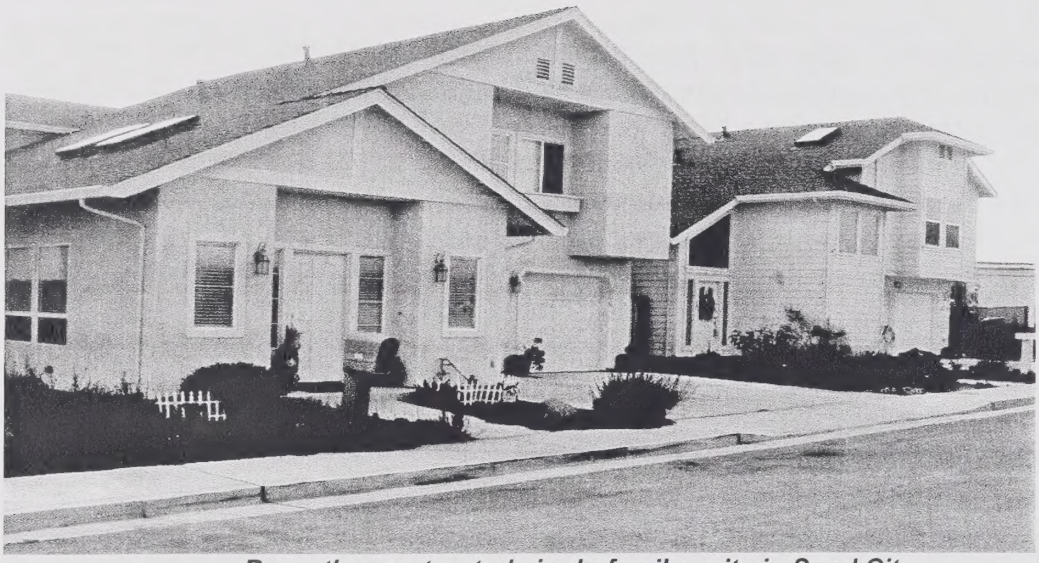
Use Permits for Emergency Shelters/Transitional Housing

There are no emergency shelters or transitional housing currently in Sand City. If there was an application for such a facility, however, they could be conditionally allowed in commercial and industrial areas with a use permit. Program #4.4.a in Chapter 7 of this document specifies that the City will revise its Zoning Ordinance in 2003 in order to allow these facilities with a use permit. It is anticipated that the use permit process for a proposed emergency shelter/transitional housing facility would follow the process as was required for the homeless day care/training facility currently being operated by the Salvation Army in Sand City. The Salvation Army use permit process took approximately 2 months to approve and the only issues reviewed by the City Council prior to approval involved parking and supervision at the facility.

It is important to note that a large homeless facility is planned in the former Fort Ord military base area, which is adjacent to Sand City. Along with other communities who are voting members of the Fort Ord Reuse Authority (FORA), Sand City participates in insuring that adequate McKinney and other funds are available to finance and develop the facility.

E. Building Codes

The Building Codes adopted by the City of Sand City are the Uniform Building Code, Uniform Plumbing Code, Uniform Mechanical Code, and National Electric Code. The City's Building Codes have been adopted in order to prevent unsafe or hazardous building conditions. As such, the City's codes are a reasonable and normal enforcement of City regulations and do not act as a constraint to the construction or rehabilitation of housing.



Recently constructed single-family units in Sand City

MARKET CONSTRAINTS

There are a number of costs involved in the development of housing. These include land and construction costs, site improvements (streets, sidewalks, etc.), sales and marketing, financing and profit. Because these costs are so market sensitive, it is difficult for a local governmental body to reduce them in any way.

As is true for most coastal communities, new residential development in Sand City can be expensive. A 2002 study conducted by the Housing Authority of the County of Monterey estimated that the average square foot cost for purchasing and constructing a 1,600 square foot single-family residential unit on the Monterey Peninsula was $172 per square foot. This would represent a total cost of $276,176 for the unit.

Construction costs of a residential unit can vary depending on the type of unit, size and level of amenities. Basic, multi-family development usually starts at $85 per square foot for construction and development costs (excluding land costs). A single-family residential unit usually starts at $100 per square foot and can easily increase to $200-300 per square foot, depending on design and amenities.

There are no significant constraints to obtaining construction or permanent financing for residential development. Financing is available but the exact terms and conditions of the financing are usually dependent on the developer's experience, capacity and market conditions.

Producing Affordable Housing in Today's Market

The expensive land and construction costs in the area influence market rate housing costs but can have an even more dramatic effect on the production of affordable housing. Non-profit developers who have built affordable housing units in the Monterey area in the 2000-2001 time period report that their average cost to build a multi-family family unit is between $150,000-225,000 per unit. The Moro Cojo development is a good example of this type of development. Moro Cojo is located in the Castroville area in northern Monterey County. The non-profit developer, CHISPA, reported that the cost for the average-sized unit of 1,050 square feet was $167,600 per unit to develop. Another example of the cost of providing affordable housing are the estimates developed in 2001 by South County Housing for a multi-family and single-family projected housing development in the Boronda area of Monterey County. South County Housing has estimated that their average cost for a multi-family unit (2 or 3 bedrooms) is $207,328 per unit and the cost for a single-family unit is estimated to be $224,434. Subsidies are always necessary in order to make these units "affordable " to very low, low and moderate-income households. In fact, most truly affordable housing developments in California today require 10-12 different subsidy sources in order to make the project financially feasible.

Summary Analysis of Constraints on Sand City's Housing Market

There are Two significant constraints that affect Sand City's housing market. These include:

1. Approval Process Required from Agencies Other than The City, specifically the California Coastal Commission, that can delay development, and
2. Water Availability.

The City has limited control over the actions of other agencies, in particular, the California Coastal Commission. The Commission is a State regulated and appointed body that can make land use decisions independent of the City.

In regards to water availability, the City has embarked on a program to establish a desalination facility. The facility is considered by the City to be essential to future growth and development. Program # 4.1.c in Chapter 7 of this document commits the City to allocation of available water resources to meeting the identified Regional Housing Needs Allocation for the 2002-2007 time period.

5. Housing Resource Inventory

Land Inventory

Traditionally, Sand City has been perceived as an industrial city with a small residential population. In recent years, the City has increased its commercial land use with the development of destination commercial uses in the Sand Dollar and Edgewater Shopping Centers. The City's 2002 General Plan projects a "new vision" for Sand City which would include the continued transformation from an industrial community to one with mixed uses, including a thriving artist and artisan community. Envisioned within this plan are New Urbanism strategies that mix residential and commercial uses in planned developments. New residential uses are identified for mixed-use developments in the Old Town, East Dunes and certain areas of the northern portion of the Coastal Zone.[viii]

The Land Use Element of the 2002 General Plan has identified the following land use categories for new residential development:

1. East Dunes Specific Plan: The specific plan anticipates that the majority of the residential units will be single-family, however multi-family and mixed use are anticipated to be included in program designs. Densities are expected to range from 9 to 20 dwelling units per acre. The area includes land located both in coastal zone and non-coastal zone areas. The non-coastal areas are estimated to have a holding capacity of 211 units at an average density of 18 units per acre. The coastal area is anticipated to accommodate 29 units at a typical density of 9 units per acre.

2. Mixed Use Development (MU-P): This designation is applied to areas where low impact light manufacturing and commercial uses are intermixed with residential uses, including live-work units. It is expected that typical densities will be 18 units per acre although stand-alone residential developments that do not exceed 23 dwelling units per acre may be considered on a case-by-case basis.

3. Residential Medium Density (CZ R2 and R3): This land use designation provides for housing units at moderate densities, 14 to 35 units per acre.

The table on the following page summarizes the three land categories identified above and the estimated number of potential units that could be built in those categories.

ILLUSTRATION # 17 : VACANT AND UNDERUTILIZED LAND AVAILABILITY

NET ACRES AND LAND USE DESIGNATION	TYPICAL DENSITY THAT IS EXPECTED AT LAND USE DESIGNATION	ESTIMATED NEW DWELLING UNITS
NON-COASTAL AREAS		
42.72 Acres Mixed Use Development (MU-P)	20 Units Per Acre	214 Units
12.40 Acres East Dunes Specific Plan	18-21 Units Per Acre	216 Units
COASTAL AREAS		
5.32 Acres CZ R-2	14-25 Units Per Acre	133 Units
10.7 Acres CZ R-3	25-35 Units Per Acre	267 Units
6.64 Acres East Dunes Specific Plan	9 Units Per Acre	29 Units
	TOTAL	859 Units

Source: City of Sand City General Plan, February 2002 , Table 2-4, Page 2-29 to 2-30

The chart above indicates the typical density levels that are expected by land use designation. The vast majority of these land use designations are at medium to high density categories. While lower density developments could be developed on these medium to high density sites, it is not expected that this will occur. This conclusion is based on recent mixed use and residential developments in Sand City that are within the higher limits of the housing densities allowed. This appears to be a direct market response to the profitability and relative lack of alternative sites in other Monterey Peninsula communities. Should the current market situation change, the City would consider a "density-protective" policy that would discourage lower density development.

Land Use Strategy Utilizing Mixed Use and Planned Unit Developments

The City has identified a land use strategy that encourages "new urbanism" principles by utilizing mixed use and planned unit developments. Infill and redevelopment opportunities are the primary tools available for implementation of these types of development. This is due to the fact that the City of Sand City is "landlocked" in terms of expansion opportunities. The City is bounded by the City of Seaside and the former Fort Ord lands that will be converted to a state park.

The General Plan and Zoning Ordinance were revised in 2002 to allow for up to 1 dwelling unit per 1,875 square feet of lot area in all mixed use and PUD zoning districts where the general plan designation of mixed use exists. This will permit up to 23 dwelling units per acre, a relatively high-density zoning category on the Monterey Peninsula, suitable for lower income residential development. Added to this density incentive, which encourages affordable housing is the zoning allowance to create some commercial development (horizontally or vertically) on a mixed-use property provided adequate parking can be accommodated. The zoning district allows a maximum building height of 60 feet, easily accommodating 4 to 5 stories of development.

The type of urban intensification identified above will require additional parking opportunities to be created by the Redevelopment Agency, in partnership with the private sector. As a possible example of this kind of partnership, the Agency is working with a private developer on the "Robinette" site, including plans for a parking structure that can accommodate up to 200 parking spaces for on-site and off-site development. The City of Sand City, and its Redevelopment Agency, is concurrently working with an urban design and parking design team to insure that the Old town district will have enough parking to accommodate its future transformation into a mixed use, traditional town neighborhood. This design and parking plan is funded in part by the State Community Development Block Grant (CDBG) program and should be completed by the end of 2003.

Mixed Use: Location and Market Demand

The Mixed Use Development (MU-P) lands are primarily underutilized areas that are planned for mixed residential, commercial and light industrial uses. This land is concentrated in the Old Town, West End and adjacent areas and the land use and zoning designations are in place for mixed-use development to occur.

There are approximately 150 parcels zoned for mixed use in the Old Town area. Of this number, it is anticipated that the vast majority, even with existing uses, will be transformed over the life of the current General Plan and substantial redevelopment will occur once additional water supply is made available to this area of town. This conclusion is based on the empirical evidence witnessed in the year 2000 when the City had a "water competition" to allocate its remaining

limited water supply to only projects of mixed use or residential development. This competition, administered by the Redevelopment Agency, resulted in 7 mixed-use projects and one housing subdivision, all within the newly-designated mixed-use district of town. Therefore, based on this past experience, it appears likely that residential use will be an important component of mixed-use developments in the future. This is especially probable since one of the City's major themes in its 2002 General Plan is to develop the Old Town area into a destination tourist area with a thriving artist and artisan community and live/work spaces. In fact, the 2002 General Plan describes an aggressive program for transforming Old Town and includes the following goals:

- Encourage new land uses in Old Town that include commercial, light manufacturing and residential uses, with a heavy emphasis toward streetscape beautification.
- Create pedestrian oriented streets in the Old Town district.
- Reduce land use conflicts in the Old Town area.

Examples of some of the implementation programs that will address these goals in the 2002 General Plan include:

- Redevelopment Agency initiated programs to eliminate non-conforming uses.
- Encouraging the establishment of "live/work" units and artisan units, particularly as a transitional use between residential clusters and commercial/light manufacturing uses.
- Preparation of a street renovation and beautification and requiring new development and redevelopment projects to conform to that plan.
- Encourage and provide funding for a façade improvement program

As indicated by the General Plan goals and programs, the City anticipates a significant market for mixed-use development, with residential opportunities. Sand City is a desirable location because it is directly situated on the California coastline in northern Monterey County. In fact, the City's name provides evidence of its direct proximity to the coast and Pacific Ocean. As an example of the favorable market conditions, the Redevelopment Agency is currently in negotiations with a developer to develop at least 30 units of residential development with commercial floor space on the Agency-owned, 2.4 acre"Robinette Site." The site has water availability and has attracted a high level of interest from local and regional developers. As evidenced in this project, the Redevelopment Agency is taking a high profile role in encouraging mixed use in the Old Town district. For other sites in the district, it is expected that redevelopment will be ripe as soon as water is available due to the relatively non-productive (in terms of property and rental value) in-fill sites that currently

dominate the area with auto-related and warehouse/storage uses. The Redevelopment Agency will also assist in lot consolidation should a prospective developer propose an exemplary mixed-use project. (See Program 4.1.e in Chapter 7 of this document.)

The other significant area for development is in the East Dunes Specific Plan. This area primarily is located in the non-coastal zone although a small portion occurs in the Coastal Zone. A major residential development has been proposed for a significant amount of acreage in this area. The development consists of approximately 170 units, with an average density of 21 units per acre. The development would include condominiums, apartments, cottages and bungalows designed in a "new urbanism" approach. Approximately 15 acres of the East Dunes Specific Plan area need to be rezoned to reflect the densities identified in the General Plan land use designations. Program # 4.1.b in Chapter 7 of this document includes a schedule for rezoning of these lands.

Finally, the land inventory includes lands in the coastal zone that are designated for residential use (CZ R-2 and CZ R-3). These lands are subject to special review according to the policies of the Local Coastal Plan and the Coastal Commission. Further, State and regional park and open space agencies have identified some of these sites for future acquisition. Therefore, it is not certain at this time how much of these residentially zoned acres will actually be developed as housing units.

LAND INVENTORY AND REGIONAL HOUSING NEED ALLOCATION

Density is the major criteria used in determining the appropriateness of land to accommodate a community's Regional Housing Need Allocation. Land zoned at higher densities is expected to be more feasible economically for the development of lower income housing units. As the table on the following page indicates, the City has sufficient land to meet the Regional Housing Need Allocation estimates

ILLUSTRATION # 18 : RELATIONSHIP OF LAND INVENTORY TO CITY'S REGIONAL HOUSING NEED

DENSITY RANGES	ESTIMATED UNIT CAPACITY*	REGIONAL HOUSING NEED ALLOCATION	
20 + Units Per Acre	214 Units	*Very Low:* 36 Units	*Low:* 55 Units
10-19 Units Per Acre	216 Units	*Moderate:* 66 Units	*Above Moderate:* 91 Units
1-9 Units Per Acre	29 Units		
TOTAL	**454 Units**	**248 Units**	

**** See Illustration #17 for typical unit densities and capacity. The table only includes Mixed Use and East Dunes Specific Plan acreage. Land in the coastal zone area that is CZ R-2 and R-3 is not included because of uncertainties as to whether it will be developed in the 2002-2007 time frame.***

FINANCIAL RESOURCES

LOCAL FINANCIAL RESOURCES

The most significant source of local funds in Sand City for housing is Redevelopment housing set-aside funds. According to State law, a minimum of 20% of all Redevelopment tax increment funds must be set aside for the purpose of "increasing, improving and preserving the community's supply of low and moderate income housing."[ix] The City's Redevelopment area encompasses the entire city.

As of Fall 2002, there was approximately $1,197,057 in funds available in the Redevelopment housing set aside fund. The table on the following page illustrates the City's 2000-2004 Redevelopment Implementation Plan affordable housing objectives for the use of set aside funds.

ILLUSTRATION # 19 : REDEVELOPMENT AFFORDABLE HOUSING OBJECTIVES, 2000-2004

Redevelopment Area	Very Low Income Unit Objectives	Low Income Unit Objectives	Moderate Income Unit Objectives	TOTAL UNITS
Robinette Site	0 Units	6 Units	10 Units	16 Units
East Dunes	0 Units	15 Units	10 Units	25 Units
Scattered Sites (South of Tioga and Old Town)	0 Units	10 Units	5 Units	15 Units
TOTALS	0 Units	31 Units	25 Units	56 Units

Source: Sand City Redevelopment Agency Five Year Implementation Plan 2000-2004, December 1999 Pgs. 16-18

As of Fall 2002, there had not yet been any affordable units produced using Redevelopment funding assistance. The major constraint to the development of these units has been the lack of available water (please see further discussion on water constraints in Chapter 4 of this document) and the development and adoption of the East Dunes Habitat Conservation Plan. However, the City is in the process of selecting a developer for the Robinette site. It is expected that the total site development will yield 20 units, of which 15% will be affordable. The 16 affordable units identified in the table above for the Robinette site may therefore be reduced if the current development plans are implemented.

COUNTY, STATE AND FEDERAL FUNDS

In regard to affordable housing, the City has access to affordable housing funds through the State of California housing funds. The City can compete on an annual basis with other California communities for the award of HOME and CDBG (Community Development Block Grant funds) funds. Sand City has been successful in previous years in securing annual awards of CDBG and HOME funds.

In addition to the funding sources identified above, the City also has access to other funding resources as appropriate. These funding sources are typically used on a project-by-project basis and are not secure, annual funding sources such as CDBG, HOME and Redevelopment housing set-aside funds.

These financial resources include:

1. State of California, Department of Housing and Community Development loan and grant programs,
2. California Housing Finance Agency financial assistance programs,
3. Federal/State Low-income Housing Tax Credits (see description of tax credit program in Appendix to this document),
4. Federal Home Loan Bank, Affordable Housing Program, and
5. Mortgage Credit Certificates

The State of California, Department of Housing and Community Development, facilitates a clearinghouse for affordable housing finance information and resources. Information on additional resources for affordable housing can be accessed at their web site, *www.hcd.ca.gov/clearinghouse*.

Non Profit Housing Organizations

There are several non-profit housing organizations that could assist with the development of affordable housing in the Sand City area. These organizations are listed below.

Housing Authority of the County of Monterey, Salinas, California
CHISPA, Salinas, California
South County Housing, Gilroy, California
Habitat for Humanity, Seaside, California
Mid-Peninsula Housing Corporation

There are additional non-profits in the Monterey County area that provide housing related services. A list of those non-profits is included in Appendix B of this document.

6. Review of 1991 Housing Element

The City's previous Housing Element was adopted in 1991. The State of California, Department of Housing and Community Development, certified that the City's 1991 Housing Element was in compliance with State Housing Element law.

In order to effectively plan for the future, it is important to reflect back on the goals of the 1991 Element and to identify those areas where progress was made and those areas where additional effort is needed. In fact, the State Housing Element guidelines require communities to evaluate their previous Housing Element according to the following criteria:

- Effectiveness of Element,
- Progress in Implementation, and
- Appropriateness of Goals, Objectives and Policies.

Effectiveness of Element

The City's 1991 Housing Element identified the following goals:

1. To Designate Areas in Sand City Suitable for Residential Development,
2. To Provide Housing Opportunities and To Provide Affordable Housing for Sand City's Work Force,
3. To Provide Equal Opportunities for Very low, Low and Moderate Income Households,
4. To Provide Equal Housing Opportunities for Special housing Needs Groups,
5. To Assure that Sand City's Housing Stock is Maintained and Upgraded to Meet Necessary Health and Safety Requirements, and
6. To Encourage Energy and Water Conservation Measures in Existing and New Housing.

In order to achieve these goals, the 1991 Element listed a series of policies and objectives. The tables on the following pages identify the policies and objectives from the 1991 Element. The tables then also include a description of the actions that were taken from 1991-2001 and the progress that was achieved in addressing the 1991 goals and policies.

ILLUSTRATION # 20: PROGRESS IN ACHIEVING 1991 HOUSING POLICIES AND OBJECTIVES (1991-2001)

GOAL #1: DESIGNATED AREAS IN SAND CITY SUITABLE FOR RESIDENTIAL DEVELOPMENT			
QUANTIFIED OBJECTIVES	POLICIES/PROGRAMS	ACCOMPLISHMENTS/CURRENT STATUS (1991-2001)	COMMENTS
No quantified objectives were identified for this goal.	**Policy A:** Designate various sites in Sand City for the construction of housing units based on new housing needs as well as environmental and coastal resources. • Program 1: Construction of housing units on any portion of either the East Dunes site or the South of Tioga site shall be limited to areas that are not subject to environmental and coastal restraints. **Policy B:** Ensure the provision of public services for future housing units. • Program 2: Sand City shall evaluate and coordinate all opportunities for providing public services to new housing units including, but not limited to, formation of assessment districts, federal and state grants, joint powers agreements, and issuance of special bonds. • Program 3: Sand City shall complete the Sand City Master Facilities Plan and implement a capital improvement program by January 1, 1992 in order to continually improve the provision of public services to existing and future housing units. • Program 4: Sand City shall continue to set aside a portion of the 20% tax increment revenues for public-service infrastructure improvements and right-of-way improvements, ad identified in the 1987 Sand City Redevelopment Plan. • Program 5: Sand City shall prepare and utilize a standardized format for evaluating immediate and long-range public service capacities and costs resulting from new housing units in order to assure the ability to provide and maintain necessary public services to new housing units.	• Construction of new housing units with the East Dunes has been limited due to lack of water and implementation of East Dunes HCP. The South of Tioga properties are within an area that is slated for open space and habitat preservation. • The City has initiated a feasibility study for a desalination plant. • In 2001, the City adopted a Master Facilities Plan. • The City has continued to set aside 20% tax increment revenue and, as of 2002, the balance in the fund was approximately $1 million dollars. • Engineering standards used by the City Engineer evaluate current and projected water and sewer line capacities necessary for ultimate housing stock build out.	**One of the major challenges of the 2002-2007 planning period will be the establishment of additional water resources for the City of Sand City. New housing development is dependent on increasing the amount of water currently available to the City. As part of any new water project, the City will need to allocate water to accommodate the Regional Housing Need Allocation and to provide priorities for affordable housing units.** **The 20% tax increment fund is a significant housing resource. The City should consider using some of the funds available to assist with infrastructure needs associated with specific affordable housing development.**

GOAL #2: PROVIDE HOUSING OPPORTUNITIES AND PROVIDE AFFORDABLE HOUSING FOR SAND CITY'S WORK FORCE			
QUANTIFIED OBJECTIVES	POLICIES	ACCOMPLISHMENTS/CURRENT STATUS (1991-2001)	COMMENTS
<u>350 New Units by 1996</u> *Very Low Income:* 81 units *Low Income:* 55 units *Moderate Income:* 144 units *Above Moderate:* 70 units	**Policy C:** Encourage the construction of new housing units which meet the needs of persons in the work force of Sand City in order to create a better balance of workers and residents. • Program 6: Sand City shall continue to negotiate with owners of the transfer station site with the ultimate goal of converting the site from its existing industrial use to high-density residential use. **Policy D:** Encourage the construction of new housing units that provide a choice in housing type, density, cost and tenure to meet the housing needs of all segments of the work force, regardless of race, sex, marital status, age, ethnic background, physical condition or family size. • Program 7: Sand City shall strive to construct 350 new housing units by January 1, 1996. The distribution of units by income shall conform as close as is feasible with that designated in the 1990 Regional Housing Needs Plan. • Program 8: Sand City shall review development proposals for incorporation of concepts such as planned unit development, cluster development, lot consolidation, zero lot line developments, and secondary housing units on commercial and industrial zoned parcels to help reduce the cost of new housing units and to provide a variety of affordable housing units. **Policy E:** Encourage a balance of existing ownership housing with future rental housing units in Sand City by maintaining existing single-family housing units. • Program 9: Sand City shall conduct a survey once every two years of all households to determine the number of existing housing unit.	• Due to the lack of adequate water supplies, the City did not achieve its new construction goal of 350 new units. There were very few units constructed during the 1991-2001 time frame and none of these units were built as units affordable to low or very low-income households. • The City's 2002 General Plan identifies mixed use development in the Old Town area, which encourages residential use with commercial and light industrial use. • The City's Zoning Ordinance provides for second units in commercial and industrial area. • A housing tenure survey has not been conducted. However, since few units have been constructed, this type of survey is less valuable than originally intended. The 2000 U.S. Census indicated that 64% of households were renters and 36% were homeowners.	**The major constraints to developing housing during the 1991-2001 time frame was the lack of water availability and the need to adopt a Habitat Conservation Program for the East Dunes Specific Area Plan. These issues are addressed in the 2002-2007 Housing Element programs in Chapter 7 of this document.** **Mixed use development in the Old Town area needs to be encouraged and supplemented with development incentives, where necessary.**

GOAL #3: PROVIDE EQUAL HOUSING OPPORTUNITIES FOR VERY LOW, LOW AND MODERATE INCOME HOUSEHOLDS.			
QUANTIFIED OBJECTIVES	POLICIES/PROGRAMS	ACCOMPLISHMENTS AND CURRENT STATUS (1991-2001)	COMMENTS
350 New Units by 1996 *Very Low Income:* 81 units *Low Income:* 55 units *Moderate Income:* 144 units *Above Moderate:* 70 units	**Policy F:** Encourage the construction of affordable rental and ownership housing for very low, low and moderate-income households throughout Sand City. • Program 10: Sand City shall strive to meet its regional goal for very low, low and moderate income housing by June 30, 2001, as determined in the 1990 Regional Housing Needs Plans. • Program 11: Sand City shall provide incentives to builders, such as density bonuses or fee waivers (where feasible), for construction of affordable units. • Program 12: Sand City shall allow the construction of secondary affordable rental units on lots proposed for new commercial and industrial development as well as on lots with existing residential units. (The program then lists various criteria to be used.) • Program 13: Sand City shall amend its Zoning Ordinance to allow manufactured and mobile homes as principal permitted uses in all residential zones. • Program 14: Sand City shall develop an ordinance, which establishes development standards for manufactured, and modular housing units in order to make the construction of these low-cost housing units an option for property owners. • Program 15: Sand City shall identify, help facilitate, and solicit federal and state financial assistance for the construction of rental housing units and for rent subsidies to low and moderate-income households, as funds are available.	• As explained under Goal #2 on previous page, the City did not achieve its new construction need. • There were several second units constructed in commercial/industrial areas during the time period. However, there were no second units constructed on residential parcels. • The Zoning Ordinance allows mobile and manufactured homes as a permitted use in the R-1 zone and as conditional uses in the R-2 and R-3 zones. • The City has not yet developed an ordinance for development standards for manufactured and modular housing units. • The only two residential projects of significant size that were processed from 1991 to date were the St. John PUD and the Monterey Bay Shores housing component. The St. John PUD included land that was already subdivided and the City had little opportunity to require affordable housing	**The City should continue to provide incentives (including financial assistance) to developers of affordable housing units.** **Further, the City must develop its Secondary Unit program especially in light of recent State legislation (AB 1866).** **The majority of the units in the City needing rehabilitation assistance are located on parcels zoned for commercial or industrial use. Unless the units meet the intent of the City's Mixed Use District, it is not cost-efficient to rehabilitate the units for continued residential use.**

	• Program 16: Sand City shall review development processing procedures to determine whether and how the process can be streamlined to help further reduce costs of new housing units. • Program 17: Sand City shall cooperate with federal, state, and regional agencies to promote open housing choice and equal opportunity housing. • Program 18: Sand City shall require, when feasible, all new residential developments (including those in the coastal zone) to provide low and moderate-income housing. • Program 19: Sand City shall, if feasible, utilize 20% tax increment funds to preserve affordable units.	units. Regarding the Monterey Bay Shores project, rather than provide the developer with a density bonus or other affordable housing incentives that would be difficult, if not impossible, to achieve within the coastal zone, the City required an $850,000 housing in-lieu fee to be used for future housing on the Robinette site. The Coastal Commission ultimately denied the project. • Sand City utilized $50,000 in housing set aside funds for housing rehabilitation assistance in 1991 and 1992.	

GOAL #4 : PROVIDE EQUAL HOUSING OPPORTUNITIES FOR SPECIAL HOUSING NEEDS GROUPS			
QUANTIFIED OBJECTIVES	POLICIES	ACCOMPLISHMENTS AND CURRENT STATUS (1991-2001)	COMMENTS
Increase the number of manufactured and mobile homes from 13 to 30 units by January 1, 1996.	**Policy G:** Encourage new residential development to meet the special housing needs of elderly persons. • Program 20: Sand City shall pursue the use of public and private funds such as the Senior Citizens Shared Housing Program for senior housing projects • Program 21: Sand City shall strive to increase the number of manufactured and mobile homes from 13 to 30 units by January 1, 1996. **Policy H**: Participate in a regional effort to provide emergency shelter for homeless individuals, families, elderly, veterans and the mentally and physically disabled. • Program 22: Sand City shall submit an appointee to the Monterey County Commission on Homelessness.	• The Alliance on Aging continues to provide a Senior Homeshare program available to all Monterey County residents. • The number of mobile homes within the City has actually decreased since 1991 due to redevelopment of properties within Old Town and East Dunes area. • No member of the Sand City community has been appointed to the Commission on Homelessness.	**The City will provide assistance where necessary to non-profit groups or developers that wish to provide special need housing.**

GOAL #5: ASSURE THAT SAND CITY'S HOUSING STOCK IS MAINTAINED AND UPGRADED TO MEET NECESSARY HEALTH AND SAFETY REQUIREMENTS.			
QUANTIFIED OBJECTIVES	POLICIES/PROGRAMS	ACCOMPLISHMENTS/CURRENT STATUS (1991-2001)	COMMENTS
Rehabilitate 6 housing units annually.	Policy I: Rehabilitate, to the extent feasible, all substandard housing units in Sand City Policy J: Enhance the livability of existing housing units by assuring that all housing units provide a healthy and safe environment for their inhabitants. • Program 23: Sand City shall strive to rehabilitate six housing units annually, resulting in the rehabilitation of 30 housing units by January 1, 1996. • Program 24: Sand City shall, in addition to utilizing the 20% set aside funds, solicit and encourage maximum utilization of federal and state funds for the rehabilitation of ownership and rental housing units. Policy K: Remove and replace housing units which are beyond repair or which have become either economically or functionally obsolete. • Program 25: Sand City shall provide housing for persons or families displaced as a result of the implementation of the 1987 Sand City Redevelopment Plan. • Program 26: Sand City shall require replacement of housing units demolished in the coastal zone. Policy L: Ensure that existing housing units proposed for demolition as a result of new commercial and industrial development are located and rehabilitated if feasible. • Program 27: Sand City shall require existing housing units that are proposed for demolition because of commercial and industrial development to be relocated if housing conditions are satisfactory and access and public services can be provided at the relocated areas.	• Since 1991, 16 housing units were rehabilitated by private actions. • In 1994 and 1995, the City was awarded State of California HOME funds for a housing rehabilitation program. The program was not as effective as anticipated because of tenant and owner reluctance to provide information to complete eligibility requirements. • The only residence affected by Sand City redevelopment projects to date has been the Meadows mobile home that was successfully relocated to a new location, also within Sand City. • No housing units within the coastal zone were demolished.	**The majority of the units in the City needing rehabilitation assistance are located on parcels zoned for commercial or industrial use. Unless the units meet the intent of the City's Mixed Use District, it is not cost-efficient to rehabilitate the units for continued residential use.** **Sand City will continue to follow relocation guidelines, as adopted by the City in 1995 that apply to Redevelopment activities.**

GOAL #6: ENCOURAGE ENERGY AND WATER CONSERVATION MEASURES IN EXISTING AND NEW HOUSING			
QUANTIFIED OBJECTIVES	POLICIES/PROGRAMS	ACCOMPLISHMENTS/CURRENT STATUS (1991-2001)	COMMENTS
No quantified objectives were identified.	**Policy M:** Regulate the use of land to minimize energy consumption and maximize the efficiency of energy consumed. • Program 28: Sand City shall establish a program requiring purchasers of existing homes to attain an energy audit and home weatherization prior to occupancy of the home. In addition, builders of new homes shall provide proof of inspection of new housing units for proper energy conservation. • Program 29: During development and architectural review phases of housing development projects, require, when feasible, the configuration of lots to take advantage of optimum lot and building orientation and the use of solar energy systems. **Policy N**: Minimize the consumption of water by existing and new housing units, and pursue methods for providing Sand City with its own water source for domestic uses. • Program 30: Permit new housing unit construction only when the water demand of the new housing units can be met by available water supply, and when it is consistent with the adopted water supply allocation program of Sand City. • Program 31: Require all new housing units to utilize water conservation fixtures, as specified by the Sand City Water Conservation Ordinance. • Program 32: To ensure that the demands of new housing construction do not exceed Sand City's allocation, utilize water-use data from the Monterey Peninsula Water Management District to project future water use. • Program 33: Conduct additional testing to identify water wells in Sand City that could supply water. • Program 34: Research the cost and feasibility of a reverse osmosis system.	• All new residential units constructed in the City comply with Title 25 energy conservation measures. The City has not established a program to inspect existing units. • The Water District has established water conservation procedures for all new residential development. • Initial feasibility studies and environmental review have been initiated for the possible establishment of a desalination plant in Sand City.	**Continue to implement Title 25 energy conservation requirements for all new construction.** **Continue to pursue other available water resources, such as the desalination plant.**

PROGRESS IN IMPLEMENTATION

To assess the City's progress in implementing the 1991 Housing Element, the following key areas were reviewed.

1. Production of Housing

The 1991 Housing Element identified the following housing production goal, by household income levels:

Above Moderate:		70 units
Moderate:		144 units
Low:		55 units
Very Low:		81 units
	TOTAL	**350 units**

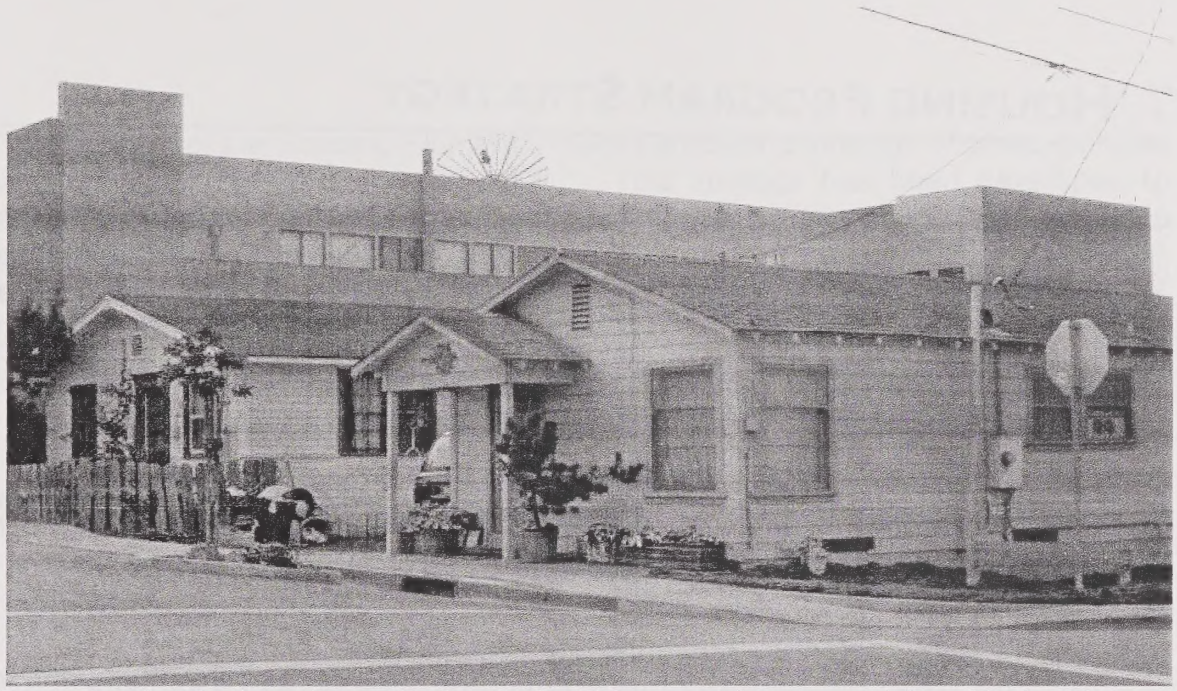
Due in large part to a lack of an adequate water supply, the City did not achieve its goal of 350 units during the 1991-2001 time frame. In fact, very few units were developed in the City primarily due to the lack of water availability. Further, some of the lands that were targeted for development (specifically the East Dunes area) needed additional land use policies developed for habitat conservation procedures.

2. Preservation of "At Risk" Units

There were no affordable housing developments "at risk" of converting to market rate during the time period of the previous Housing Element.

3. Rehabilitation of Existing Units

The City had established a goal of rehabilitating 6 units annually during the time frame of the 1991 Housing Element. However, the number of units actually rehabilitated was 16 units total but these were primarily completed with private financial assistance. Therefore, the program did not achieve its objective.



Example of older housing units located within area of commercial and industrial use.

Appropriateness of Goals, Objectives and Policies

The 2002-2007 Housing Element Program Strategies will continue to emphasize the need to provide alternative water sources for new development. The 2002-2007 Strategy will also continue to support the development of housing affordble to lower and moderate income households as well as special needs households.

The 2002-2007 Strategy, however, will not place as much emphasis on rehabilitation of existing units. The majority of units needing rehabilitation are located on parcels zoned for industrial or commercial uses and are not always appropriate for continued residential use. The guidelines of the Mixed Use District will provide direction for those areas of the City where residential, commercial and light industrial uses will be encouraged.

7. Housing Program Strategy

This chapter of the Housing Element describes the strategy that will be followed in order to address the housing issues and needs previously identified in this document. The strategy consists of goals, policies and programs for the time frame of 2002-June 30, 2007. Included in the description of each housing program are a proposed time frame, responsible party, financial resources and quantified objectives, where appropriate.

Significant Housing Issues

Adequate Sites for Housing:

The City needs to provide adequate sites for 248 dwelling units to meet its 2002-2007 Regional Housing Need. Approximately 15 acres of land in the East Dunes Specific Area Plan will need to be rezoned to reflect the residential densities identified in the City's Land Use Element.

Adequate Water Supply:

The City needs to continue to pursue alternative water resources for new residential development. The current program to establish a desalination facility must continue to be followed.

Development of Housing Affordable to Lower and Moderate Income Households

The 2002-2007 Regional Housing Need of 248 units includes 36 units affordable to very low-income households, 55 units affordable to low income households and 66 units affordable to moderate income households. Priority for any new water allocations should be provided to housing units affordable to these households. Further, the City shall utilize its Redevelopment Housing Set-Aside funds and other incentives to assist developers in providing affordable housing units.

This chapter of the Housing Element includes a housing strategy of goals, policies and programs for 2002-June 30, 2007. This strategy has been developed to address the significant housing issues in Sand City as described on the previous page as well as to meet State Housing Element law requirements. The policies and programs are organized according to the following six general goals:

GOAL4.1: PROVIDE ADEQUATE SITES WITH SUFFICIENT INFRASTRUCTURE AS NEEDED TO MEET THE CITY'S REGIONAL HOUSING NEEDS ALLOCATION.

GOAL 4.2: SUPPORT THE DEVELOPMENT OF AFFORDABLE HOUSING, ESPECIALLY HOUSING FOR VERY LOW, LOW AND MODERATE INCOME HOUSEHOLDS.

GOAL 4.3: PRESERVE EXISTING HOUSING UNITS IN NEIGHBORHOODS APPROPRIATE FOR CONTINUED RESIDENTIAL USE.

GOAL 4.4: SUPPORT THE DEVELOPMENT OF HOUSING FOR SPECIAL NEEDS HOUSEHOLDS.

GOAL 4.5: ENSURE THAT ALL PERSONS HAVE EQUAL ACCESS TO HOUSING OPPORTUNITIES.

GOAL 4.6: PROMOTE ENERGY AND WATER CONSERVATION MEASURES IN BOTH EXISTING AND NEW RESIDENTIAL CONSTRUCTION

GOAL 4.1: PROVIDE ADEQUATE SITES WITH SUFFICIENT INFRASTRUCTURE AS NEEDED TO MEET THE CITY'S REGIONAL HOUSING NEEDS ALLOCATION.

POLICY 4.1.1: ENSURE THAT LAND IS ZONED AT RESIDENTIAL DENSITIES APPROPRIATE TO MEET THE REGIONAL HOUSING NEED.

Implementation Programs:

4.1.a Adequate Land Inventory

The City will continue to provide an inventory of land at appropriate zoning designations that will accommodate the Regional Housing Need as identified in Illustration #18 on page 44 of this document.

Time Frame: 2002- June 30, 2007
Responsible Party: Planning Department
Objective: Maintain a Land Inventory that will provide sites that accommodate the following households and number of units:

Units Affordable to Very Low Income	36	Units
Units Affordable to Low Income	55	Units
Units Affordable to Moderate Income	66	Units
Units Affordable to Above Moderate Income	91	Units
TOTAL NEED:	**248**	**UNITS**

4.1.b Rezone Acreage in East Dunes Specific Area Plan

The City will assist the developer in processing the rezoning of 15 acres in the East Dunes Specific Area plan to reflect the General Plan Land Use designations for that area. If the developer has not initiated the rezoning process by June 2003, the City will initiate the rezoning.

Time Frame: 2003-2004 Rezoning Completed
Responsible Party: Development Community and Planning Department

Objective: Rezone 12.4 acres to minimum of 18-21 units per acre and 2.6 acres to a minimum of 1-9 units per acre.

POLICY 4.1.2: ENSURE THAT NEW RESIDENTIAL DEVELOPMENTS ARE ADEQUATELY SERVED BY INFRASTRUCTURE, INCLUDING WATER AND SEWER, PARK AND RECREATION AREAS, TRANSPORTATION, PUBLIC SAFETY AND OTHER COMMUNITY SERVICES.

POLICY 4.1.3: CONTINUE TO IMPLEMENT A PROGRAM STRATEGY TO DEVELOP ALTERNATIVE WATER RESOURCES FOR THE CITY'S DEVELOPMENT NEEDS.

Implementation Program:

4.1.c Desalination Facility Program

The City will continue to implement its program to establish a desalination facility. The program will include the following actions:

Time Frame:
February 2003: Certification of Environmental Review Document
Summer/Fall 2003: Secure Funding for Desalination Facility
January 2004: Begin construction of Desalination Facility
Summer 2004: Desalination Facility Begins Operations

Responsible Party: City Administrator, Planning Department And Public Works Department

Objective: Provide an alternative water supply that will provide at least 150 acre-feet for new development and 150 acre-feet for existing development.

4.1.d Capital Improvements Program

The City will continue to implement its Masters Facilities Plan and continue budgeting revenues into the capital improvement budget to improve streets, drainage and water lines, within the Old Town area.

Time Frame: 2002- June 30, 2007
Responsible Party: City Engineer and Planning Department

POLICY 4.1.4 MAINTAIN AND/OR ADOPT APPROPRIATE LAND USE REGULATIONS AND OTHER DEVELOPMENT TOOLS TO ENCOURAGE THE DEVELOPMENT OF HOUSING.

Implementation Programs:

4.1.e Mixed Use and Planned Unit Development

The City will continue to encourage innovative housing design and "smart growth" strategies through its Mixed Use District and Planned Unit Development policies in the Zoning Ordinance. Further, the City will assist developers and property owners with lot consolidation in instances where proposed developments would further the objectives of the Redevelopment Plan and the General Plan as well as provide exemplary mixed use development.

The City will monitor the production of units in Mixed Use and Planned Development areas in relation to the 2002-2007 Regional Housing Need, especially the production of very low and low-income units. In late 2004, the City will assess whether sufficient units are being developed and, if not, will undertake additional efforts to encourage sufficient development of units that will meet the 2002-2007 Regional Housing Need. These additional efforts could include identifying alternative sites for residential development, providing additional incentives for affordable housing units, and/or more aggressive marketing of the availability of mixed use and planned development alternatives to the development community.

Affordable housing in mixed use and planned unit developments shall be encouraged with the use of the following incentives:

- Expedited permit processing
- Availability of Density Bonus (see Program 4.1.g)
- Availability of Redevelopment 20% set-aside funds for housing
- Reduction of on-site property standards (e.g. reduced parking standards for developments that include affordable elderly or disabled housing units)

Time Frame: 2002- June 30, 2007
Responsible Party: Planning Department

4.1.f Second Dwelling Unit Program

The City will conduct a review of its policies regarding second dwelling units, especially in residential areas. The review shall include an analysis of State legislation (AB 1866), which includes new provisions for second dwelling units. Following the completion of the review, the City will develop a Second Dwelling Unit Program that encourages second dwelling units in commercial, industrial and residential areas of the City.

Time Frame: *2002-2003* Conduct review and develop Second Dwelling Unit policies and program

2003-June 30, 2007 Implement Program

Responsible Party: Planning Department
Objective: 10 Second Units, 2002-2007

4.1.g Density Bonus Ordinance

The City will adopt a Density Bonus Ordinance consistent with the requirements of Assembly Bill 1866. The City will market the availability of density bonus provisions through informational material available at the Planning Department as well as on the City's web site.

Time Frame: 2003
Responsible Party: Planning Department and City Council

GOAL 4.2 SUPPORT THE DEVELOPMENT OF AFFORDABLE HOUSING, ESPECIALLY HOUSING FOR VERY LOW, LOW AND MODERATE INCOME HOUSEHOLDS.

POLICY 4.2.1: ENSURE THAT WATER PROVIDERS ALLOCATE WATER RESOURCES ON A PRIORITY BASIS TO UNITS THAT MEET CITY'S REGIONAL HOUSING NEED ALLOCATION.

Implementation Programs:

4.2.a Water and Sewer Providers

Provide water and sewer providers with the City's adopted Housing Element. As provided in California Government Code Section 65589.7, water and sewer providers shall grant a priority to proposed developments, which meet the City's Regional Housing Need goals. If there are additional water allocations provided by the Monterey Peninsula Water Management District in the Sand City area, ensure that those water allocations are directed to units that will meet the City's Regional Housing Needs.

Time Frame: 2002- June 30, 2007
Responsible Party: Planning Department, Water Providers

POLICY 4.2.2: DEVELOP AND UTILIZE ALL AVAILABLE FUNDING RESOURCES IN ORDER TO PROVIDE THE MAXIMUM AMOUNT OF AFFORDABLE HOUSING AS FEASIBLE.

Implementation Programs:

4.2.b Redevelopment Housing Set Aside Funds

Continue to require that 20% of Redevelopment tax increment funds be set aside for housing. Develop specific strategies for use of those funds for the Robinette site and other potential sites, including use of funds for infrastructure development as well as other project costs.

Time Frame:
2002- June, 2003 Develop Funding Strategy
2003-June 30, 2007 Implement Strategy
Responsible Party: Planning Department
Financing: Redevelopment Housing Set Aside

4.2.c State and Federal Housing Programs and Funding

Continue to apply for appropriate State and federal housing funds, including CDBG and HOME funds. Use funds to assist with providing affordable housing opportunities in new and existing housing units. The City will continue to contract with a planning consulting firm to supplement its planning and economic development capabilities. As part of its charge, the consulting firm shall also elicit and apply for state and federal grants designed to assist the Redevelopment Agency in providing the necessary gap-financing to construct affordable housing. Availability of grant or other special funding for affordable housing will be posted on the City's web site. The City will also notify community groups and organizations that represent lower income households of the availability of affordable housing resources.

Some of the more likely sources of funds include:

CDBG Funds: The City will continue to apply to the State HCD for special planning grants to pursue specific projects. The City will submit applications for those funds based on the State's application time frame process.

HOME Funds: The State also awards HOME funds to localities on a competitive basis for developments that include rental housing, homeownership opportunities, special needs housing and tenant based rental assistance.. The City will submit applications for those funds based on the State's application time frame process.

Other State-funded Programs: Due to the passage of Proposition 46 in 2002, additional funding resources are available through the State. These new funds are designed to assist with the development of rental housing, homeownership programs, emergency shelters, special needs housing, farmworker housing, and local code enforcement assistance. The City will submit applications for those funds based on the State's application time frame process.

Low Income Tax Credits: Federal and State tax credits are available to investors on a competitive basis for the development of lower income housing units. *(See Tax Credit Description in Appendix C.)*

Other examples of funding resources are identified on pages 45-46 of this Housing Element document.

Time Frame: *2002-June 30, 2007*
Responsible Party: Planning Department

GOAL 4.3: PRESERVE EXISTING HOUSING UNITS IN NEIGHBORHOODS APPROPRIATE FOR CONTINUED RESIDENTIAL USE.

POLICY 4.3.1: SUPPORT THE PRESERVATION AND CONSERVATION OF EXISTING HOUSING UNITS THAT PROVIDE AFFORDABLE HOUSING OPPORTUNITIES FOR CITY RESIDENTS AND WORKERS.

POLICY 4.3.2: DIRECT PUBLIC FUNDING RESOURCES TO THE CONSERVATION OF EXISTING HOUSING UNITS IN NEIGHBORHOODS WHERE CONTINUED RESIDENTIAL USE IS APPROPRIATE.

Implementation Program:

4.3.a Conservation of Existing Units

Through enforcement of local codes, ensure that all existing units meet basic health and safety requirements. In neighborhoods where continued residential use is appropriate, provide information and assistance to owners of units that are in need of repair or rehabilitation. Examples of program assistance include weatherization grants (PG&E, State LIHEAP, local community action agency, etc.), home paint fix-up programs, housing rehabilitation assistance, etc. Information regarding the availability of these resources is posted on the City's web site. Further, the City will provide written marketing information describing the resources available to community groups and organizations that represent lower income households.

Time Frame: 2002-June 30, 2007
Responsible Party: Planning and Building Departments
Financing: Redevelopment Housing Set Aside Funds
State HOME Funds

POLICY 4.3.3: PROVIDE RELOCATION ASSISTANCE AS REQUIRED BY STATE REDEVELOPMENT LAW FOR UNITS HOUSING LOW OR MODERATE INCOME HOUSEHOLDS THAT ARE REMOVED FROM THE HOUSING MARKET AS PART OF A REDEVELOPMENT PROJECT.

Implementation Program:

4.3.b Replacement Unit Program

Under State Redevelopment law, relocation and replacement guidelines apply for units that housed low or moderate-income

households and are removed from the housing market as part of a redevelopment project. This would apply to units that are destroyed or removed by a redevelopment project, which is subject to a written agreement with the agency or where financial assistance has been provided by the agency. It does not apply to a private developer who demolishes units without redevelopment assistance or project contractual agreements.

The City's Redevelopment Agency will ensure the necessary level of assistance and replacement housing for those units that meet these requirements.

Time Frame: 2002-June 30, 2007
Responsible Party: Planning and Building Departments

GOAL 4.4: SUPPORT THE DEVELOPMENT OF HOUSING FOR SPECIAL NEEDS HOUSEHOLDS.

POLICY 4.4.1 ENCOURAGE THE PROVISION OF SERVICES AND HOUSING FOR THOSE HOUSEHOLDS WITH SPECIAL NEEDS. IN SAND CITY, THESE HOUSEHOLDS WOULD INCLUDE THE HOMELESS, ELDERLY AND PERSONS WITH DISABILITIES.

Implementation Programs:

4.4.a **Homeless: Facilities Serving Homeless Households**

Support a continuum of housing opportunities for homeless households, including emergency shelters, transitional housing and permanent affordable housing opportunities as provided in the County of Monterey's Homeless Continuum of Care Plan. Revise City Zoning Ordinance to allow emergency shelters and transitional facilities in commercial and industrial zones with a use permit.

Time Frame: 2002-Spring 2003: Revise Zoning Ordinance
Responsible Party: Planning Department and City Administrator

4.4.b **Homeless: Support for Day Facility**

Continue to support the provision of services at the day facility for homeless individuals as currently provided by the Salvation Army (or a similar organization).

Time Frame: 2002-2007
Responsible Party: Planning Department and City Administrator

4.4.c **Elderly and Disabled: Support and Marketing of Countywide Programs**

Continue to support and market the efforts of local non-profit agencies that provide direct housing assistance to elderly and disabled individuals.

Time Frame: 2002-2007
Responsible Party: Planning Department and City Administrator

4.4.d Housing for Persons with Disabilities: Remove Constraints to Housing Development and Encourage Accessible Housing

The City will revise its Zoning Ordinance to allow residential care facilities in areas of the City that allow residential use. The revision shall include group homes of 6 or fewer persons as a permitted use in residential areas. Facilities for 7 or more persons may require a use permit but the City shall revise the Zoning Ordinance language in such a manner that permit processing and time frames shall be expedited as quickly as possible and required fees shall be minimized to the extent feasible. Additional suggestions for revisions to the Ordinance are included in Appendix D of this document.

Further, the City will develop a Reasonable Accommodations Ordinance that describes procedures for zoning and land use requests from applicants with a disability. The Ordinance shall identify those zoning/land use applications where reduced processing time, streamlined procedures and fee reductions/waivers would be allowed. The Ordinance will specify that only the disabled applicant is eligible to apply for such benefits, rather than allowing family members or caretakers to request the benefits.

Time Frame: *Summer, 2003: Revise Zoning Ordinance to allow residential care facilities*
Fall/Winter, 2003: Develop and adopt a Reasonable Accommodations Ordinance.

Responsible Party: Planning Department

See Errata attached at rear of document

GOAL 4.5: ENSURE THAT ALL PERSONS HAVE EQUAL ACCESS TO HOUSING OPPORTUNITIES

POLICY 4.5.1: SUPPORT AND MARKET FAIR HOUSING OPPORTUNITIES AND SERVICES AVAILABLE TO SAND CITY RESIDENTS.

Implementation Programs:

4.5.a Fair Housing Services and Information

Continue to support and promote the services of organizations that provide fair housing programs to Sand City residents, such as

- Conflict Resolution and Mediation Center
- Legal Services for Seniors
- California Rural Legal Assistance
- Central Coast Center for Independent Living
- Center for Community Advocacy

The City will market the availability of the services of these organizations through written material available at City Hall and on the City's web site.

Time Frame: 2002-2007
Responsible Party: City Administrator

GOAL 4.6: PROMOTE ENERGY AND WATER CONSERVATION MEASURES IN BOTH EXISTING AND NEW RESIDENTIAL CONSTRUCTION

POLICY 4.6.1 ENCOURAGE RESIDENTIAL CONSTRUCTION THAT PROMOTES ENERGY CONSERVATION.

Implementation Programs:

4.6.a Energy Conservation Opportunities

Continue to enforce Title 24 requirements for energy conservation and evaluate utilizing some of the other suggestions as identified in Chapter 8 of this document.

Time Frame: 2002-June 30, 2007
Responsible Party: Planning and Building Departments

4.6.b Design Opportunities

Continue to use the design review process to promote optimum lot and building configuration for solar orientation and use of solar energy systems.

Time Frame: 2002-June 30, 2007

Responsible Party: Planning and Building Departments

8. Energy Conservation Opportunities

Energy Conservation and Residential Development

Energy conservation is achieved at both the local and individual level. During the planning and development process, there are many opportunities for local governments to support energy efficient models. Such proven methods include:

- Enforce the State of California Title 24 laws – state energy efficiency standards for residential and nonresidential buildings. New subdivision areas should adhere to the California Subdivision Map Act, which requires consideration of maximum natural heating and cooling features, including solar power. Additionally, building codes inspectors should be credentialed from the California Building Officials Training Institute, ensuring they are familiar with all energy efficiency models.

- Preserve and encourage planting trees in neighborhoods to provide shade in summer and reduce heat loss in winter. However, any tree planting efforts should not reduce solar heating, needed sun access or viewsheds.

- Encourage energy efficient landscaping for resource conservation by developing guidelines that emphasize proper irrigation techniques and sustainable landscaping (organic fertilizers and pesticides).

- Consider light-colored surfacing on pavements and rooftops to reduce heat absorption. New materials for shingled rooftops and paved roadways are being developed that reflect more sunlight and last longer.

- In future street development, encourage skinnier street widths to reduce pavement area and allow more room for roadside trees and greenery.

- Work with builders and developers to place houses in optimal area on site, with regard to sun and natural breezes.

- Promote the construction of energy efficient new homes with assistance from the Energy Star Homes Program (supported by the EPA and DOE). Energy Star homes reduce energy consumption by 30% by using energy efficient lighting, ventilation, windows, and replacing electricity with natural gas where appropriate.

- Provide incentives to retrofit older homes with energy efficient features before resale or major remodeling.
- Encourage pool covers and solar pool heating systems in place of conventional methods in residential areas.
- Encourage solar energy and other renewable resources.

ENERGY CONSERVATION AND AFFORDABLE HOUSING

Energy efficiency opportunities are an important consideration in affordable housing planning and analysis. High energy costs for low-income and fixed-income households directly affect the affordability of both rental units and home ownership. As basic energy is an inelastic housing cost, the ability to provide conservation assistance is especially critical.

For individuals and households, there are programs available to help conserve energy and reduce energy costs. The City of Sand City can promote and provide assistance for households to access the following opportunities:

Low-Income Home Energy Assistance Program (LIHEAP)

Low-income households (less than 60% of the State Median Income Level) qualify for financial assistance and free housing renovations to offset their energy costs. Funded by the Department of Health and Human Services, the LIHEAP Block Grant provides two services, weatherization assistance and financial assistance.

- **The Weatherization Program provides homes with free weatherization services to conserve energy, including attic insulation, weather-stripping, minor housing repairs, and related energy conservation measures.**
- **The Homes Energy Assistance Program (HEAP) provides financial assistance to pay the energy bills. The average payment within the State of California is $182 per household per year.**

Energy Efficient Mortgages (EEM)

Homebuyers that purchase energy efficient homes or renovate houses to conserve energy qualify for special mortgage benefits through EEMs. Determined by results from the Home Energy Rating System (HERS), home loans may include energy improvement costs reducing homeowner's utility bills. The California Home Energy

Efficient Rating System (CHEERS) is a local HERS and is supported by PG&E, lending institutions, and building associations.

Relief for Energy Assistance Through Community Help (REACH)

Sponsored by Pacific Gas and Electric and administered by the Salvation Army, REACH provides energy assistance to low-income customers. Households that do not qualify for HEAP or another alternative assistance program may receive a one-time payment aid for energy costs. In the last 18 years, REACH has assisted 369,000 households in Northern California with more than $56 million in total aid.

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9. Public Participation

Public Participation Process

During the development of the 2002-2007 Housing Element, the City encouraged the participation of all economic segments of the community; especially lower-income and special needs households. A brief description of that process is included below:

1. Information to General Community

Public hearings on the draft 2002-2007 Housing Element were publicized in the *Monterey County Herald*, in both English and Spanish. Notices were sent to every residential unit in the City to inform and invite them to the December 3, 2002 public hearing on the draft housing Element.

2. Information to Special Needs and Lower Income Households

The City conducted an outreach effort to those non-profit groups that represented special need and lower income households in the community. Written notices regarding the public hearings were sent to the non-profit groups and representatives were invited to comment on the draft Housing Element document.

3. Public Comments/Responses to Draft Document

Any public comments/responses to the draft Housing Element will be summarized and included in the final copy of the 2002-2007 Housing Element.

4. Public Review Time Line

December 3, 2002	Initial Public Hearing at City Council
April 1, 2003:	Second Public Hearing at City Council and adoption of Housing Element

10. Consistency With General Plan And Local Coastal Plan

The City's General Plan was adopted in February 2002. The 2002-2007 Housing Element has been prepared to be consistent with the 2002 General Plan.

A portion of the City is located within the State Coastal Zone. State law requires that Housing Elements identify the number of units demolished/added in the Coastal Zone area since the last Housing Element. There have been no units demolished since 1991. There were 8 units added to the housing stock in the coastal zone between 1991 and 2002.

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II. APPENDIX MATERIALS

A. Reference Materials

California Budget Project, "Locked Out: California's Affordable Housing Crisis", May 2000

County of Monterey, "Housing Element" General Plan (Draft), October 2002

Housing California, The Long Wait: A Critical Shortage of Housing in California April 2000

State of California, Department of Housing and Community Development Raising the Roof: California Housing Development Projections and Constraints May 2000
www.hcd.ca.gov/hpd/hrc/rtr/

State of California, Department of Housing and Community Development The State of California's Housing Markets 1990-97 January 1999
www.hcd.ca.gov/hpd/hrc/plan/shp

B. Non-Profit Organizations in Monterey County

The table on the following page lists the non-profit groups and organizations active in Monterey County as of Fall, 2002.

Agencies/Organizations (Information current as of 2002)

NAME OF ORGANIZATION	DESCRIPTION	OTHER COMMENTS
Alliance on Aging	Information and services for elderly households	Administers Senior Homeshare Program
Center of Community Advocacy	Outreach and educational programs in farm labor camps and other housing sites	
Coalition of Homeless Service Providers	Organization of agencies and organizations that provide homeless services and assistance	
Central Coast Center for Independent Living	Advocates and provides information for people living with disabilities and assists with independent living opportunities.	
Conflict Resolution and Mediation Center	Mediation and conflict services, including landlord/tenant and neighborhood problems, fair housing and other housing issues.	
Shelter Outreach Plus	Services to homeless individuals	
Salvation Army	Services to homeless individuals	Eviction prevention and rental assistance
Catholic Charities	Services to lower income households	Eviction prevention and rental assistance
Housing Advocacy Council	Advocacy and information services regarding housing	Eviction prevention and rental assistance (security deposit program) Publishes Resource Directory of Housing Services
Community Human Services	Provides counseling and housing for homeless and special need individuals	Transitional housing and residential treatment beds
Gateway Center	Provides residential group homes and beds to developmentally disabled	
Interim	Provides counseling, residential treatment and affordable housing for chemically dependent, psychiatric or dual-diagnosed individuals	Manages several group homes and facilities
California Rural Legal Assistance	Provides legal assistance and education to low-income Monterey County residents.	
Legal Aid of the Central Coast	Provides legal assistance to low income residents, including evictions and other housing issues	
Legal Services for Seniors	Legal advice and representation for persons aged 60 and older.	
Veterans Transition Center of Monterey County	Housing assistance and transitional facility for veterans and their families	

C. Description of Low Income Tax Credit Process

The state and federal low-income housing tax credit is available to owners of low-income rental housing. The credit is a "dollar for dollar" credit against federal and state taxes owed. The credit is claimed in annual installments. The maximum annual federal credit is 9% of eligible costs for new construction and rehabilitation (assuming no other federal subsidies are in the project). Eligible costs are development costs (excluding land) attributable to the low-income units in the development.

The owners of tax credit projects are typically limited partnerships. Syndication of the tax credits provides a substantial amount of equity in the development, which can help to close the affordability gap in lower income rental development. Because the recipient of the tax credits will obtain a credit against federal and state income tax liability, such tax credits have a monetary value for which the recipient will be willing to make a cash equity contribution to become part-owner of the affordable housing development. Thus, the developer of a tax credit eligible project can sell partial ownership interests (usually in the form of a limited partnership) to investors desirous of obtaining the tax credits. The proceeds from those sales then become a cash contribution to the project.

Tax credits are controlled by the California Tax Credit Allocation Committee and are allocated in a limited number annually and very competitive to obtain. Because of the expensive legal and syndication costs, a competitive project would have to be medium to large in number of units (for example, at least 20 or more units) and be 100% affordable to low income households (including very low income households). There are rent and occupancy restrictions that must be maintained and monitored in order to ensure that the limited partnership continues to receive the tax credits on an annual basis.

D. Analysis of Constraints for Housing for Persons with Disabilities and Actions to Remove Identified Constraints

During the preparation of the 2002-2007 Housing Element, an analysis was conducted of potential constraints to the development of housing for persons with disabilities. Following is a summary of that analysis.

1. Land Use Controls/Permit Processing and Fees

A review of the City's Zoning Ordinance indicated that there is no reference to group homes or residential care facilities.

Program Action: The Zoning Ordinance needs to be revised to allow group home and residential care facilities, especially in areas that allow residential use. Group homes of 6 or fewer persons shall be allowed as a permitted use in residential areas. For facilities that will serve 7 or more persons, the Zoning Ordinance may be revised to require a use permit. However, the City should make every effort to minimize processing procedures, time frames and fees as much as possible if a use permit procedure is followed. Further, restrictions or conditions on the use (e.g. parking, lighting, etc.) should not be imposed indiscriminately and/or in a different manner than other projects that require use permits. In fact, the City should consider including language in the revised Ordinance that would allow reduced parking standards for residential care facilities for persons with disabilities if it appears that less parking will be needed than normally anticipated. Also, as part of the revision process, any reference to terms that restrict residential occupancy only to persons who are related to each other shall be eliminated from the Zoning Ordinance.

2. Building Codes and Standards

The City has adopted the most recent version of Uniform Building Code and State codes. For multi-family developments of 3 or more units, the City also implements Title 24, which regulates access and adaptability for persons with disabilities.

3. Consultation with Community Groups Representing Persons with Disabilities

During the analysis process, two community groups were consulted in regard to their experience with development processing for housing for persons with disabilities. Interim, Inc. is in the process of developing residential facilities for persons with disabilities in Monterey County. However, the projects that they are developing are located in Salinas and Marina. Interim, Inc. has not submitted any applications for development

permits in Sand City and, consequently, had no comment on any potential constraints. Central Coast Center for Independent Living is an advocacy and information/referral organization for persons with disabilities. They also had no specific comment on Sand City's process but did endorse the program actions of revising the Zoning Ordinance and encouraging more facilities that would serve persons with disabilities.

E. End Notes

[i] City of Sand City, *General Plan 2002-2017*, February 2002 Pg. 1-1
[ii] Ibid, Pg. 2-9
[iii] County of Monterey, Environmental Resource Policy Division, "Employment and Cost of Living Trends in Monterey County, 2001, pg. 18
[iv] State of California, Department of Finance, Population and Household Estimates 2002
[v] County of Monterey, "Monterey County Homeless census and Needs Assessment," November 1999
[vi] City of Sand City, *Housing Element*, June 1991, Pg. 13
[vii] State of California, Department of Finance, Population and Household Estimates 2002
[viii] City of Sand City, *General Plan 2002-2017*, February 2002 Pg. 1-4
[ix] California Health and Safety Code, Section 33334.2

CITY OF SAND CITY

RESOLUTION SC 03-22, 2003

RESOLUTION OF THE SAND CITY COUNCIL APPROVING THE HOUSING ELEMENT UPDATE 2000 - 2007 OF THE GENERAL PLAN

WHEREAS, in accordance with State planning and housing element law, the City of Sand City submitted a draft Housing Element for State Housing and Community Development (HCD) Department review in December, 2002, following its fair-share allocation of regional housing numbers from the Association of Monterey Bay Area Governments (AMBAG); and, was only late in its submission to HCD due to jurisdictional disputes which arose during the regional housing fair-share process; and

WHEREAS, the City has held appropriate and required public hearings to elicit public comment regarding the proposed programs and policies contained in the draft Housing Element; and

WHEREAS, following HCD review and City responses to that review, HCD transmitted a letter to the City of Sand City dated March 27th, stating the draft housing element, as further revised, satisfies the legal adequacy standards of state housing and planning law and, if adopted, will be certified by the State HCD; and

WHEREAS, the City Council has found the Housing Element to be consistent with the 2002 - 2017 Sand City General Plan and will incorporate the housing element therein; and, the Council further finds that a negative declaration is the appropriate environmental document to accompany the Housing Element and has so certified by separate resolution.

NOW, THEREFORE, BE IT RESOLVED following a duly noticed public hearing on April 1, 2003, that the Sand City Council hereby adopts the 2000 -2007 Housing Element, as amended by responses to the HCD February, 2003 review and incorporates it into the Sand City General Plan.

PASSED AND ADOPTED by the Sand City Council on this 1st day of April, 2003, by the following vote:

AYES: Councilmembers Blackwelder, Kline, Hubler, Kruper, Pendergrass

NOES: None

ABSTAIN: None

ABSENT: None

ATTEST:

Debra Taylor

Debra Taylor, City Clerk

APPROVED:

David K. Pendergrass

David K. Pendergrass, Mayor

ERRATA (p. 68, Section 4.4d)

4.4.d **Housing for Persons with Disabilities: Remove Constraints to Housing Development and Encourage Accessible Housing**

The City will revise its Zoning Ordinance to allow residential care facilities in areas of the City that allow residential use. The revision shall include group homes of 6 or fewer persons as a permitted use in residential areas. Facilities for 7 or more persons may require a use permit but the City shall revise the Zoning Ordinance language in such a manner that permit processing and time frames shall be expedited as quickly as possible and required fees shall be minimized to the extent feasible. Additional suggestions for revisions to the Ordinance are included in Appendix D of this document.

Further, the City will develop a Reasonable Accommodations Ordinance that describes procedures for zoning and land use requests from applicants with a disability. The Ordinance shall identify those zoning/land use applications where reduced processing time, streamlined procedures and fee reductions/waivers would be allowed. The Ordinance will specify that ~~only the disabled applicant is eligible to apply for such benefits, rather than allowing family members or caretakers to request the benefits.~~ the applicant may request such benefits and, also, that family members or caretakers can request such benefits on behalf of the applicant.

Time Frame: *Summer, 2003: Revise Zoning Ordinance to allow residential care facilities*
Fall/Winter, 2003: Develop and adopt a Reasonable Accommodations Ordinance.

Responsible Party: Planning Department

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